

1 AN ORDINANCE authorizing the City of
2 Fort Wayne, Indiana (the "Issuer"), to
3 make temporary loans to meet current
4 expenses for the use of the Issuer's
5 General Fund, City Bond Repayment Fund,
6 Fire Fund, Parks and Recreation General
7 Fund, Police Pension Fund and Fire
8 Pension Fund, in anticipation of and
9 not in excess of current taxes levied
10 in the year 1989, and collectable in
11 the year 1990; authorizing the
12 issuance of temporary loan time
13 warrants to evidence such loans and the
14 sale of such warrants to the public,
15 or, in the alternative, to the Indiana
16 Bond Bank; and appropriating and
17 pledging the taxes to be received in
18 such funds to the punctual payment of
19 such warrants including the interest
20 thereon.

21 WHEREAS, the City Controller of the Issuer (the "City
22 Controller") has represented and the Common Council of the
23 Issuer (the "Common Council") now finds that there will be
24 insufficient amounts in the General Fund, the City Bond
25 Repayment Fund and the Fire Fund of the Issuer to meet the
26 current expenses of the Issuer payable from each of such
27 Funds during the fiscal year ending December 31, 1990, and
28 prior to the respective June and December settlement and
29 distribution of taxes levied for each such Fund; and

30 WHEREAS, the City Controller, on behalf of the Board of
31 Park Commissioners of the Issuer, has represented and the
32 Common Council now finds that there will be insufficient
33 amounts in the Parks and Recreation General Fund to meet
34 current expenses of the Department of Public Parks of the
35 Issuer payable from the Parks and Recreation General Fund
36 during the fiscal year ending December 31, 1990, and prior to
37 the respective June and December settlement and distribution
38 of taxes levied for the Parks and Recreation General Fund;
39 and

40 WHEREAS, the City Controller, on behalf of the Board of
41 Trustees of the Fort Wayne Police Pension Fund of the Issuer,
42 has represented and the Common Council now finds that there
43 will be insufficient amounts in the Police Pension Fund to

1 meet current expenses for the payment of pensions and
 2 benefits to retired members and dependents of deceased
 3 members and other death benefits payable from the Police
 4 Pension Fund during the fiscal year ending December 31, 1990,
 5 and prior to the respective June and December settlement and
 6 distribution of taxes levied for the Police Pension Fund;
 7 and

8 WHEREAS, the City Controller, on behalf of the Board of
 9 Trustees of the Fort Wayne Fire Pension Fund of the Issuer,
 10 has represented and the Common Council now finds that there
 11 will be insufficient amounts in the Fire Pension Fund to meet
 12 current expenses for the payment of pensions and benefits to
 13 retired members and dependents of deceased members and other
 14 death benefits payable from the Fire Pension Fund during the
 15 fiscal year ending December 31, 1990, and prior to the
 16 respective June and December settlement and distribution of
 17 taxes levied for the Fire Pension Fund; and

18 WHEREAS, the Common Council now finds that temporary
 19 loans for the General Fund, the City Bond Repayment Fund, the
 20 Fire Fund, the Parks and Recreation General Fund, the Police
 21 Pension Fund and the Fire Pension Fund (the "Funds") for such
 22 purposes should be made and that temporary loan time warrants
 23 evidencing such loans should be issued and sold, subject to
 24 the terms and conditions set forth herein and in accordance
 25 with the provisions of Indiana law; and

26 WHEREAS, the levy proposed for collection for each of
 27 the Funds in the year 1990 is estimated to produce in the
 28 aggregate, with respect to each Fund, an amount equal to or
 29 in excess of the principal and interest cost of making
 30 temporary loans for such Fund for each of the periods, the
 31 first ending June 29, 1990 (the "First Borrowing Period"),
 32 and the second ending December 31, 1990 (the "Second
 Borrowing Period") (the First Borrowing Period and the Second
 Borrowing Period shall collectively be defined as the
 "Borrowing Periods"); and

1 WHEREAS, a necessity exists for the making of temporary
2 loans evidenced by temporary loan time warrants for each of
3 the Funds in anticipation of the receipt of current revenues
4 for each such Fund actually levied and in the course of
5 collection for the year 1990 and the Common Council hereby
6 authorizes the making of temporary loans to procure the
7 amounts necessary, in combination with other available
8 amounts to meet such current expenses for each Fund for each
9 Borrowing Period and to pay necessary costs incurred in
10 connection with the issuance and sale of temporary loan time
11 warrants to evidence such temporary loans; and

12 WHEREAS, the Issuer has not previously issued temporary
13 loan time warrants against 1990 tax revenues with respect to
14 any of the Funds; and

15 WHEREAS, the Common Council seeks to authorize the
16 issuance of such temporary loan time warrants with respect to
17 each Fund for each Borrowing Period and the sale of such
18 warrants either pursuant to the provisions of Indiana Code 5-
19 1-11 or the provisions of Indiana Code 5-1.5, subject to and
20 dependent upon the terms and conditions hereinafter set
21 forth.

22 NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF
23 THE CITY OF FORT WAYNE, INDIANA:

24 SECTION 1. It is hereby found and declared that an
25 emergency exists for the borrowing of money and therefore the
26 Issuer is hereby authorized to make temporary loans to meet
27 current expenses pursuant to the provisions of Indiana Code
28 36-4-6 for the use and benefit of each of the Funds of the
29 Issuer for each of the Borrowing Periods in anticipation of
30 current tax revenues actually levied and in the course of
31 collection for the respective Funds for the year 1990, which
32 loans shall be evidenced by temporary loan time warrants of
the Issuer (the "Warrants"). A separate Warrant or Warrants
shall be issued with respect to each Fund for each Borrowing
Period and all Warrants shall be dated as of their respective

date or dates of delivery. Any and all Warrants issued for the First Borrowing Period shall mature and be payable on June 29, 1990, and the Warrants issued for the Second Borrowing Period shall mature and be payable on December 31, 1990, in principal amounts not to exceed the following:

<u>Fund</u>	<u>Maturing June 29, 1990 Principal Amount Not to Exceed</u>	<u>Maturing December 31, 1990: Principal Amount Not to Exceed</u>
General Fund	\$ 7,380,000	\$ 6,700,000
City Bond		
Repayment Fund	\$ 1,745,000	\$ 1,745,000
Fire Fund	\$ 2,580,000	\$ 3,150,000
Parks & Recreation		
General Fund	\$ 1,325,000	\$ 1,385,000
Police Pension		
Fund	\$ 650,000 580,000	\$ 650,000 580,000
Fire Pension Fund	\$ 580,000 650,000	\$ 580,000 650,000

The Warrants shall not be sold for less than one hundred percent (100%) of par value. The interest accruing on the Warrants to the date of maturity shall be added to the finally issued principal amount and included in the face amount of the Warrants.

If the Issuer determines to sell its Warrants at public sale pursuant to Section 8 of this Resolution, the Warrants shall bear interest prior to maturity at a rate or rates per annum not to exceed a maximum of ten percent (10%), the exact rate or rates of interest to be determined by competitive bidding at advertised public sale as hereinafter provided. If the Issuer determines to sell its Warrants to the Indiana Bond Bank (the "Bond Bank") pursuant to the terms and conditions hereinafter set forth, the Warrants shall bear interest prior to maturity at a rate or rates per annum not to exceed a maximum of four percent (4%), the exact rate or rates to be determined under the terms of an advance funding agreement between the Bond Bank and the Issuer substantially in the form attached to this Resolution as Exhibit A (the "Advance Funding Agreement") in accordance with the provisions of Indiana Code 5-1.5. If the Issuer determines to sell its Warrants to the Bond Bank, interest shall be

1 computed from the date of each temporary loan made to the
2 Issuer by the Bond Bank under the Advance Funding Agreement
3 (each an "Advance") to the date of payment, based on the
4 average daily balance of Advances outstanding, all as further
5 set forth under the Advance Funding Agreement. In any event
6 Warrants not timely paid will bear interest at a rate or
7 rates not to exceed twelve percent (12%) per annum after
8 maturity. Interest shall be calculated on the basis of a
9 365-day year and the actual number of borrowing days elapsed.

10 SECTION 2. The provisions of this Section 2 shall
11 apply as additional terms of the Warrants if the Issuer
12 determines to sell its Warrants to the Bond Bank. With
13 respect to each Fund during each Borrowing Period, the
14 officers of the Issuer are authorized to deliver a principal
15 amount of Warrants up to or less than the maximum amount
16 established for any such Fund in Section 1 hereof in order to
17 comply with any requirements of the Bond Bank. The Issuer
18 shall have the option to prepay Advances under the Warrants
19 pursuant to the terms of the Advance Funding Agreement and,
20 to the extent that prior to maturity the Issuer shall have
21 received payment of part or all of the taxes in anticipation
22 of which the Warrants have been issued, the City Controller
23 is authorized and directed to prepay such Advances pursuant
24 to the terms of the Advance Funding Agreement. All Warrants
25 for each Borrowing Period will be delivered at the time of
26 the first Advance with respect to any Fund for such Borrowing
27 Period or otherwise as appropriate and in accordance with the
28 terms of the Advance Funding Agreement. All subsequent
29 Advances during such Borrowing Period will be drawn on the
30 Warrants not more frequently than weekly in the amount needed
31 by the Issuer each month for each of the respective Funds
32 based on the Period Allocation and Monthly Allocation (both
defined and set forth in the Advance Funding Agreement) for
such Borrowing Period as determined by the Bond Bank and set
forth on Schedule A to each Warrant. Each Advance drawn on

1 Warrants and any prepayment of such an Advance shall be noted
2 on Schedule B attached to each Warrant. The City Controller
3 is hereby authorized to request such Advances, and the
4 respective officers of the Issuer are authorized to deliver
5 such certificates as shall be necessary to accompany the City
6 Controller's request, pursuant to the terms of the Advance
7 Funding Agreement.

8 SECTION 3. The principal of and interest on the
9 Warrants, together with all necessary costs incurred in
10 connection with the issuance and sale of the Warrants, shall
11 be payable from the revenues to be received in the respective
12 Fund upon which such Warrant is issued. There is hereby
13 appropriated and pledged to the payment of all Warrants
14 issued with respect to each Fund in each Borrowing Period,
15 including interest and all necessary costs incurred in
16 connection with the issuance and sale of the Warrants, a
17 sufficient amount of the tax revenues, levied in 1989, and
18 payable in 1990, in each of such Borrowing Periods, for such
19 Fund and in anticipation of which the Warrants have been
20 issued, for the punctual payment of the principal of and
21 interest on the Warrants evidencing such temporary loans,
22 together with such issuance costs. The principal amount of
23 Warrants issued with respect to any Fund and maturing on or
24 before June 30, 1990, shall not exceed eighty percent (80%)
25 of the amount of the tax levy for such Fund as estimated by
26 the County Auditor to be collected at the final June 1990,
27 settlement and distribution of taxes, and the principal
28 amount of Warrants for any Fund maturing after June 30, 1990,
29 and on or before December 31, 1990, shall not exceed eighty
30 percent (80%) of the amount of the tax levy for such fund as
31 estimated by the County Auditor to be collected at the final
32 December 1990, settlement and distribution of taxes.

SECTION 4. The Warrants issued hereunder with respect
to the Fund shall be executed in the name of the Issuer by
the manual signature of the Mayor of the City of Fort Wayne,

Indiana (the "Mayor"), countersigned by the manual signature of the City Controller, and the corporate seal of the Issuer affixed thereto and attested by the manual or facsimile signature of the Clerk of the City of Fort Wayne, Indiana (the "City Clerk"). All Warrants shall be payable in lawful money of the United States of America at the principal office of Fort Wayne National Bank in Fort Wayne, Indiana, or, in the event that the Warrants are sold to the Bond Bank, at the principal corporate trust office of INB National Bank in Indianapolis, Indiana, as Trustee under the Note Indenture with the Bond Bank, dated as of April 1, 1989. Further, the Warrants shall not be delivered and no payment shall be made therefor prior to January 1, 1990.

SECTION 5. If the Issuer determines to sell its Warrants to the Bond Bank, the Warrants with respect to each Fund shall be issued in substantially the following form (all blanks, including the appropriate amounts, dates and other information to be properly completed prior to the execution delivery thereof):

FORM OF WARRANT

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF ALLEN

Due Date: [June 29 or
December 31], 1990

Principal (not to exceed): \$ _____

Interest (not to exceed): \$ _____

Total (not to exceed) : \$ _____

CITY OF FORT WAYNE, INDIANA
TEMPORARY LOAN TIME WARRANT
(_____ FUND)

FOR VALUE RECEIVED, on or before, [June 29 or December 31], 1990, the City of Fort Wayne, Indiana (the "Borrower"), shall pay to the Indiana Bond Bank (the "Bond Bank") the amount, not in excess of \$ _____ outstanding at any one time, equal to the total of all temporary loans made to the Borrower by the Bond Bank (the "Advances") in accordance with the Period Allocation and the Monthly Allocations as set forth in Schedule A to this Warrant and pursuant to a certain Advance Funding Agreement between the Bond Bank and the Borrower, dated as of _____, 19 ____ (the "Agreement"); provided, that part or all of the Advances may be prepaid at the option of the Borrower and, in the event that prior to maturity of this

Warrant the Borrower receives payment of part or all of the taxes in anticipation of which this Warrant has been issued, the Borrower shall prepay all or a portion of such Advances to the extent required by and in accordance with the terms of the Agreement. The actual Advances made to the Borrower and any prepayment on such Advances shall be recorded on Schedule B to this Warrant.

In addition, the Borrower on the due Date hereof shall pay to the Bond Bank interest at the rate of _____% per annum on the average daily balance of Advance outstanding from time to time hereunder, with such interest to be computed from the date of each Advance to the date of payment and calculated on the basis of a 365-day year and the actual number of borrowing days elapsed. Under the Note Indenture dated as of April 1, 1989, INB National Bank, Indianapolis, Indiana, is serving as the Bond Bank's Trustee (the "Trustee"). In the event that the principal of and interest on this Warrant are not paid in full to the Bond Bank at the principal corporate trust office of the Trustee in immediately available funds on or before 12:00 noon (Indianapolis time) on the Due Date, this Warrant shall thereafter bear interest (i) if the next succeeding day following the Due Date is a day on which banking institutions in New York and Indiana are not authorized by law to close or remain closed (a "Business Day"), at the rate of 9.76% per annum until paid and (ii) if the next succeeding day following the Due Date is not a Business Day, at the rate of 6.51% per annum from the Due Date until the next succeeding Business Day, and at the rate of 9.76% per annum thereafter until paid.

This Warrant evidences a temporary loan to provide funds to meet current expenses of the _____ Fund in an aggregate amount not in excess of _____ Dollars (\$_____), exclusive of interest added thereto to maturity, and has been authorized by an ordinance adopted by the Common Council of the City of Fort Wayne, Allen County, Indiana, on December __, 1989, in accordance with Indiana Code, Title 36, Article 4, Chapter 6, and all other acts amendatory thereof or supplemental thereto.

All payments or prepayments of principal and interest to be made by the Borrower to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in Indianapolis, Indiana.

This Warrant is issued in anticipation of the tax levy which has been made for the _____ Fund in 1989, collectable in the year 1990, which tax levy is now in the course of collection. There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the _____ Fund tax levy. The principal amount of all Warrants payable from the _____ Fund [and maturing on or before June 30, 1990] does not exceed eighty percent (80%) of the taxes levied for the _____ Fund estimated by the County Auditor to be collected for and distributed to such fund at the final [June or December] 1990, settlement and distribution of taxes.

It is further hereby certified, recited and declared that all acts, conditions and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that _____

_____ Fund tax levy from which (together with other amounts in the _____ Fund) this Warrant is payable, is a valid and legal levy; and that the Borrower will reserve a sufficient amount of the proceeds of the _____ Fund tax levy, currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

IN WITNESS WHEREOF, the City of Fort Wayne, in the County of Allen, Indiana, has caused this Warrant to be executed in its corporate name by the Mayor of the City of Fort Wayne, Indiana, countersigned by the City Controller of Fort Wayne, Indiana, and its corporate seal to be hereunto affixed and attested by the City Clerk of the City of Fort Wayne, Indiana, all as of the _____ day of _____, 1990.

CITY OF FORT WAYNE, INDIANA

BY:

Mayor, City of Fort Wayne,
Indiana

[SEAL]

ATTEST:

City Clerk, City of Fort Wayne,
Indiana

COUNTERSIGNED:

By:

City Controller, City of
Fort Wayne, Indiana

SCHEDULE A

<u>MONTH</u>	<u>MONTHLY ALLOCATIONS</u>
[January/July]	\$ _____
[February/August]	\$ _____
[March/September]	\$ _____
[April/October]	\$ _____
[May/November]	\$ _____
[June/December]	\$ _____
Period Allocation	\$ _____

SCHEDULE B

<u>Date of Advance or Prepayment</u>	<u>Amount of Advance</u>	<u>Amount of Prepayment</u>	<u>Month End Balance</u>
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(End of Form Warrant)

If the Issuer determines to sell the Warrants at public sale and not to the Bond Bank, the Warrants shall be issued in substantially the following form (all blanks, including

the appropriate amounts, dates and other information to be properly completed prior to the execution and delivery thereof):

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF ALLEN

Due [June 29 or
December 31,] 1990

Principal \$ _____

Interest \$ _____

\$ _____

CITY OF FORT WAYNE, INDIANA
TEMPORARY LOAN TIME WARRANT
(_____ FUND)

FOR VALUE RECEIVED, the City of Fort Wayne, Indiana (the "Issuer"), shall pay to the bearer at the [Name of Bank] the sum of \$ _____. In addition, the Issuer at maturity shall pay to the bearer interest at the rate of _____ % per annum, calculated on the basis of a 365-day year and the actual number of borrowing days elapsed.

This Warrant evidences a temporary loan to provide funds to meet the current expenses of the _____ Fund in an aggregated amount of _____ Dollars (\$ _____), and has been authorized by an ordinance adopted by the Common Council of the City of Fort Wayne, Indiana, on _____, 1989, in accordance with Indiana Code, Title 36, Article 4, Chapter 6, and all other acts amendatory thereof or supplemental thereto.

This Warrant is issued in anticipation of the tax levy which has been made for the _____ Fund in the year 1989, collectable in the year 1990, which tax levy is now in the course of collection. There has been appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the _____ Fund tax levy. The principal amount of all warrants payable from the _____ Fund [and maturing on or before June 30, 1990, - or - and maturing after June 30, 1990, and on or before December 31, 1990,] does not exceed eighty percent (80%) of the taxes levied for the _____ Fund as estimated by the County Auditor to be collected for and distributed to such fund at the final [June or December] 1990, settlement and distribution of taxes.

It is hereby certified, recited and declared that all acts, conditions and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that the _____ Fund tax levy from which (together with other amounts in the _____ Fund) this Warrant is payable, is a valid and legal levy; and that the Issuer will reserve a sufficient amount of the proceeds of the _____ Fund tax levy for the payment of the principal of and interest on this Warrant.

1 IN WITNESS WHEREOF, the City of Fort Wayne, Indiana,
2 has caused this Warrant to be signed in its corporate name by
3 the Mayor of the City of Fort Wayne, Indiana, countersigned
4 by the City Controller of the City of Fort Wayne, Indiana,
and its corporate seal to be hereunto affixed and attested by
the City Clerk of the City of Fort Wayne, Indiana, all as of
the _____ day of _____, 19__.

5
6 CITY OF FORT WAYNE, INDIANA

7 BY:

Mayor, City of Fort Wayne,
Indiana

8 [SEAL]

9 ATTEST:

10
11 _____
City Clerk, City of Fort Wayne, Indiana

12 COUNTERSIGNED:

13 BY:

14 _____
City Controller, City of
Fort Wayne, Indiana
Board of _____,
15 _____

16
17 (End of Form of Warrant)

18 SECTION 6. The City Controller is hereby authorized
19 and directed to have the Warrants prepared, and the Mayor,
20 the City Controller and the City Clerk are hereby authorized
21 and directed to execute all Warrants in the manner and
22 substantially the appropriate form provided in this
Ordinance.

23 SECTION 7. The City Controller is authorized to
24 determine in his sole discretion and with respect to each
25 Borrowing Period, either to sell all of the Warrants at
26 public sale pursuant to the provisions of Indiana Code 5-1-11
27 or to sell all of the Warrants to the Bond Bank pursuant to
28 the provisions of Indiana Code 5-1.5. Any such determination
29 shall be evidenced by the transmittal by the City Controller
30 to the Common Council of a certified copy of either (a) the
31 notice of sale described in Section 8 of this Ordinance if
32 the Warrants are to be sold at public sale or (b) the
Advance Funding Agreement with the Bond Bank and a Notice of
Intention to Sell Warrants as described in Section 9 of this
Ordinance if the Warrants are to be sold to the Bond Bank.

SECTION 8. The provisions of this Section 8 shall govern the sale of the Warrants if the Mayor and the City Controller determine to sell the Warrants at public sale pursuant to this Ordinance. In the event and to the extent required by the provisions of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission, together with any and all applicable rules and regulations of the Municipal Securities Rulemaking Board, Warrants shall be offered and sold under this Section 8 pursuant to an Official Statement with respect to the Warrants, to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required thereby. The City Controller, on behalf of the Issuer, is authorized to sell the Warrants in multiples of Five Thousand Dollars (\$5,000) or such other multiples as the City Controller may designate. Prior to the sale of the Warrants, the City Controller shall cause to be published a notice of sale in accordance with the provisions of Indiana Code 5-3-1 two (2) times, at least one week apart, with the first of each of such publications to be made at least fifteen (15) days prior to the date fixed for the sale of such Warrants and the second publication to be made at least three (3) days prior to the date fixed for such sale. The notice of sale shall be in substantially the following form:

NOTICE TO BIDDERS FOR
THE CITY OF FORT WAYNE.
TEMPORARY LOAN TIME WARRANTS
(GENERAL, CITY BOND REPAYMENT, FIRE
PARKS AND RECREATION GENERAL,
POLICE PENSION AND FIRE PENSION FUNDS)

Notice is hereby given that pursuant to Ordinance No. _____ adopted by the Common Council (the "Common Council") of the City of Fort Wayne, Indiana (the "Issuer"), on the _____ day of _____, 1990, that the City Controller shall receive sealed bids at the Office of the City Controller in the City of Fort Wayne, Indiana, at ____:____.M. (E.S.T.), on the _____ day of _____, 1990, for the temporary loan time warrants of the Issuer (other "Warrants").

The temporary loans evidenced by such Warrants for the Issuer's General Fund, City Bond Repayment Fund, Fire Fund, Parks and Recreation General fund, Police Pension Fund and Fire Pension Fund (collectively, the "Funds") are payable from current tax revenues actually levied in 1989, and in the course of collection for the Funds for the year 1990, and

such Warrants and the loans evidenced thereby have been authorized by the above described Ordinance of the Common Council, which Ordinance appropriates and pledges a sufficient amount of such tax revenues for the punctual payment of the principal of and interest on such Warrants, together with all necessary issuance costs thereof.

A separate Warrant will be issued for each Fund in a principal amount not to exceed \$_____ for the General Fund, \$_____ for the City Bond Repayment Fund, \$_____ for the Fire Fund, \$_____ for the Parks and Recreation General Fund, \$_____ for the Police Pension Fund and \$_____ for the Fire Pension Fund, and \$_____ for the Fire Fund. The Warrants will be in such principal denomination or denominations as requested by the successful bidder or bidders, dated as of the date or dates of delivery thereof, bearing interest from the date of delivery of each Warrant at an annual rate not exceeding ten percent (10%) per annum and all maturing and payable on [June 29 or December 31], 1990. The interest on each Warrant will be added to the principal amount and included in the face amount of each Warrant. Warrants not timely paid will bear interest at a rate or rates not to exceed twelve (12%) per annum on any amounts not paid at maturity. All Warrants will be payable to the bearer at the office of _____ in _____, Indiana.

A bid must be for all Warrants in each issue and shall state the single rate of interest which such Warrants shall bear, in multiples of 1/100 of 1%. No bid for less than par value of such Warrants shall be considered or accepted. The Warrants shall be awarded to the best responsible bidder in accordance with Indiana law. The right is reserved to reject any and all bids and, if an acceptable bid is not received on the sale date, the sale may be continued from day to day thereafter for a period not exceeding thirty (30) days without readvertisement of the sale.

The Issuer shall give the purchaser at least five (5) working days advance notice of the delivery date. The successful bidder shall accept delivery of the Warrants and make payment therefor at such bank as the Issuer shall designate.

The Warrants will be in typewritten or printed form, duly executed by the manual signature of the Mayor of the City of Fort Wayne, countersigned by the City Controller of the City of Fort Wayne, and the corporate seal of the Issuer affixed thereto and attested by the manual or facsimile signature of the Clerk of the City of Fort Wayne, and a transcript of the proceedings, including a no litigation certificate, will be delivered to the successful bidder together with the approving opinion of _____, bond counsel, concerning the legality of such Warrants, and a sufficient and reasonable number of copies of the final Official Statement of the Issuer with respect to the Warrants, delivered within seven (7) business days of the award of the Warrants or prior to the time of payment of the purchase price of the Warrants, whichever is earlier, all and only in the event, to the extent and in accordance with the requirements of SEC Rule 15c2-12 and the Municipal Securities Rulemaking Board.

City Controller, City of
Fort Wayne, Indiana

1 SECTION 9. The provisions of this Section 9 shall
2 govern the sale of the Warrants if the City Controller
3 determines to sell such Warrants to the Bond Bank pursuant to
4 this Ordinance. With respect to each Borrowing Period, the
5 City Controller, on behalf of the Issuer, is authorized to
6 sell to the Bond Bank the Warrants for the Funds and is also
7 authorized to execute and deliver a Notice of Intention to
8 Sell Warrants (the "Notice") to the Bond Bank, which Notice
9 shall be a commitment of the Issuer to sell its Warrants to
10 the Bond Bank. The Warrants shall be sold to the Bond Bank
11 pursuant to the Advance Funding Agreement, which is hereby
12 authorized to be entered into and executed by the City
13 Controller and the City Clerk, on behalf of the Issuer,
14 subsequent to the date of the adoption of this Ordinance
15 substantially in the form attached hereto as Exhibit A, with
16 such necessary or appropriate changes in form and substance
17 as may be approved by the City Controller and the City Clerk,
18 with such execution to be conclusive evidence of such
19 authorized approval. The Advance Funding Agreement and the
20 Notice shall set forth the definitive terms and conditions
21 for such sale, including the interest rate or rates on the
22 Warrants, not exceeding four percent (4%) per annum, which
23 rate does not exceed the maximum authorized rate of interest
24 for Warrants issued and sold to the Bond Bank pursuant to
25 this Ordinance. Warrants sold to the Bond Bank shall be
26 accompanied by all documentation required by the Bond Bank
27 pursuant to the provisions of Indiana Code 5-1.5 and the
28 Advance Funding Agreement, including without limitation an
29 approving opinion of Baker & Daniels, specially designated
30 bond counsel for the Warrants; certification and guarantee
31 of signatures; and certification as to no litigation pending
32 as of the date of delivery of the Warrants to the Bond Bank
challenging the validity or issuance of the Warrants. The
entry by the Issuer into the Advance Funding Agreement and
the execution of the Advance Funding Agreement on behalf of

1 the Issuer by the City Controller and the City Clerk, in
2 accordance with this Ordinance, are hereby authorized,
3 approved and ratified.

4 SECTION 10. The City Controller is hereby authorized
5 to deliver the Warrants to the purchaser or purchasers
6 thereof upon receipt from such purchaser or purchasers of the
7 agreed purchase price, pursuant to bid or in the event the
8 Warrants are sold to the Bond Bank, upon receipt from the
9 Bond Bank of the first Advance or otherwise as appropriate
10 and in accordance with the terms of the Advance Funding
11 Agreement. All Warrants will be delivered as a single parcel
12 at one time or pursuant to any agreement or understanding
13 with respect to such delivery by and between the City
14 Controller and the purchaser or purchasers of the Warrants.

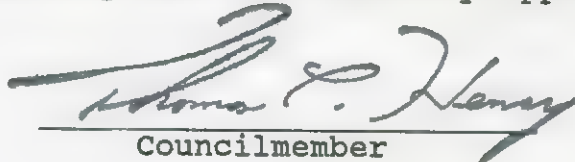
15 SECTION 11. The City Controller and other appropriate
16 officers of the Issuer are hereby authorized and directed to
17 make such filings and requests, deliver such certifications,
18 execute and deliver such documents and instruments and
19 otherwise take such actions as are necessary or appropriate
20 to carry out the terms and conditions of this Ordinance and
21 the actions authorized hereby and thereby.

22 SECTION 12. The Issuer hereby covenants that the
23 Issuer and its officers shall not take any action or fail to
24 take any action with respect to the proceeds of any of the
25 Warrants or any investment earnings thereon which would
26 result in constituting any of the Warrants as "arbitrage
27 bonds" under the Internal Revenue Code of 1986, as amended,
28 and any and all final or proposed regulations or rulings
29 applicable thereto, or which would otherwise cause the
30 interest on any of the Warrants to cease to be excludable
31 from gross income for purposes of federal income taxation;
32 and the City Controller and all other appropriate officers
are hereby authorized and directed to take any and all
actions and to make and deliver any and all reports, filings
and certifications as may be necessary or appropriate to

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evidence, establish or ensure such continuing exclusion of the interest on the Warrants.

SECTION 13. That this Ordinance shall be in full force and effect from and after any and all necessary approval by the Mayor.


Councilmember

APPROVED AS TO FORM
AND LEGALITY


J. Timothy McCaulay, City Attorney

Read the first time in full and on motion by Henry, seconded by Talarico, and duly adopted, read the second time by title and referred to the Committee on Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Conference Room 128, City County Building, Fort Wayne, Indiana, on _____, the _____ day of _____, 19____, at _____ o'clock _____ M., E.S.T.

DATED: 12-12-89

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Henry, seconded by Talarico, and duly adopted, placed on its passage. PASSED LOST by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	<u>7</u>			<u>2</u>
BRADBURY				<u>✓</u>
BURNS	<u>✓</u>			
EDMONDS	<u>✓</u>			
GIAQUINTA				<u>✓</u>
HENRY	<u>✓</u>			
LONG	<u>✓</u>			
REDD	<u>✓</u>			
SCHMIDT	<u>✓</u>			
TALARICO	<u>✓</u>			

DATED: 12-26-89

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL)

(SPECIAL) (ZONING MAP) ORDINANCE RESOLUTION NO. 212-89

on the 26th day of December, 1989

Sandra E. Kennedy ATTEST

SANDRA E. KENNEDY, CITY CLERK

SEAL

Charles S. Redd

PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 27th day of December, 1989, at the hour of 9:15 o'clock 7 M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 27th day of December, 1989, at the hour of 10:15 o'clock A M., E.S.T.

Paul Helmke
PAUL HELMKE, MAYOR

1 AN ORDINANCE authorizing the City of
2 Fort Wayne, Indiana (the "Issuer"), to
3 make temporary loans to meet current
4 expenses for the use of the Issuer's
5 General Fund, City Bond Repayment Fund,
6 Fire Fund, Parks and Recreation General
7 Fund, Police Pension Fund and Fire
8 Pension Fund, in anticipation of and
9 not in excess of current taxes levied
10 in the year 1989, and collectable in
the year 1990; authorizing the
issuance of temporary loan time
warrants to evidence such loans and the
sale of such warrants to the public,
or, in the alternative, to the Indiana
Bond Bank; and appropriating and
pledging the taxes to be received in
such funds to the punctual payment of
such warrants including the interest
thereon.

11 WHEREAS, the City Controller of the Issuer (the "City
12 Controller") has represented and the Common Council of the
13 Issuer (the "Common Council") now finds that there will be
14 insufficient amounts in the General Fund, the City Bond
15 Repayment Fund and the Fire Fund of the Issuer to meet the
16 current expenses of the Issuer payable from each of such
17 Funds during the fiscal year ending December 31, 1990, and
18 prior to the respective June and December settlement and
19 distribution of taxes levied for each such Fund; and

20 WHEREAS, the City Controller, on behalf of the Board of
21 Park Commissioners of the Issuer, has represented and the
22 Common Council now finds that there will be insufficient
23 amounts in the Parks and Recreation General Fund to meet
24 current expenses of the Department of Public parks of the
25 Issuer payable from the Parks and Recreation General Fund
26 during the fiscal year ending December 31, 1990, and prior to
27 the respective June and December settlement and distribution
28 of taxes levied for the Parks and Recreation General Fund;
29 and

30 WHEREAS, the City Controller, on behalf of the Board of
31 Trustees of the Fort Wayne Police Pension Fund of the Issuer,
32 has represented and the Common Council now finds that there
will be insufficient amounts in the Police Pension Fund to

meet current expenses for the payment of pensions and benefits to retired members and dependents of deceased members and other death benefits payable from the Police Pension Fund during the fiscal year ending December 31, 1990, and prior to the respective June and December settlement and distribution of taxes levied for the Police Pension Fund; and

WHEREAS, the City Controller, on behalf of the Board of Trustees of the Fort Wayne Fire Pension Fund of the Issuer, has represented and the Common Council now finds that there will be insufficient amounts in the Fire Pension Fund to meet current expenses for the payment of pensions and benefits to retired members and dependents of deceased members and other death benefits payable from the Fire Pension Fund during the fiscal year ending December 31, 1990, and prior to the respective June and December settlement and distribution of taxes levied for the Fire Pension Fund; and

WHEREAS, the Common Council now finds that temporary loans for the General Fund, the City Bond Repayment Fund, the Fire Fund, the Parks and Recreation General Fund, the Police Pension fund and the Fire Pension Fund (the "Funds") for such purposes should be made and that temporary loan time warrants evidencing such loans should be issued and sold, subject to the terms and conditions set forth herein and in accordance with the provisions of Indiana law; and

WHEREAS, the levy proposed for collection for each of the Funds in the year 1990 is estimated to produce in the aggregate, with respect to each Fund, an amount equal to or in excess of the principal and interest cost of making temporary loans for such Fund for each of the periods, the first ending June 29, 1990 (the "First Borrowing Period"), and the second ending December 31, 1990 (the "Second Borrowing Period") (the First Borrowing Period and the Second Borrowing Period shall collectively be defined as the "Borrowing Periods"); and

1 WHEREAS, a necessity exists for the making of temporary
2 loans evidenced by temporary loan time warrants for each of
3 the Funds in anticipation of the receipt of current revenues
4 for each such Fund actually levied and in the course of
5 collection for the year 1990 and the Common Council hereby
6 authorizes the making of temporary loans to procure the
7 amounts necessary, in combination with other available
8 amounts to meet such current expenses for each Fund for each
9 Borrowing Period and to pay necessary costs incurred in
10 connection with the issuance and sale of temporary loan time
11 warrants to evidence such tempory loans; and

12 WHEREAS, the Issuer has not previously issued temporary
13 loan time warrants against 1990 tax revenues with respect to
14 any of the Funds; and

15 WHEREAS, the Common Council seeks to authorize the
16 issuance of such temporary loan time warrants with resepect to
17 each Fund for each Borrowing Period and the sale of such
18 warrants either pursuant to the provisions of Indiana code 5-
19 1-11 or the provisions of Indiana Code 5-1.5, subject to and
20 dependent upon the terms and conditions hereinafter set
21 forth.

22 NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF
23 THE CITY OF FORT WAYNE, INDIANA:

24 SECTION 1. It is hereby found and delcared that an
25 emergency exists for the borrowing of money and therefore the
26 Issuer is hereby authorized to make temporary loans to meet
27 current expenses pursuant to the provisions of Indiana Code
28 36-4-6 for the use and benefit of each of the Funds of the
29 Issuer for each of the Borrowing Periods in anticipation of
30 current tax revenues actually levied and in the course of
31 collection for the respective Funds for the year 1990, which
32 loans shall be evidenced by temporary loan time warrants of
the Issuer (the "Warrants"). A separate Warrant or Warrants
shall be issued with respect to each Fund for each Borrowing
Period and all Warrants shall be dated as of their respective

date or dates of delivery. Any and all Warrants issued for the First Borrowing Period shall mature and be payable on June 29, 1990, and the Warrants issued for the Second Borrowing Period shall mature and be payable on December 31, 1990, in principal amounts not to exceed the following:

Fund	Maturing June 29, 1990 Principal Amount Not to Exceed	Maturing December 31, 1990: Principal Amount Not to Exceed
General Fund	\$ _____	\$ _____
City Bond		
Repayment Fund	\$ _____	\$ _____
Fire Fund	\$ _____	\$ _____
Parks & Recreation		
General Fund	\$ _____	\$ _____
Police Pension		
Fund	\$ _____	\$ _____
Fire Pension Fund	\$ _____	\$ _____

The Warrants shall not be sold for less than one hundred percent (100%) of par value. The interest accruing on the Warrants to the date of maturity shall be added to the finally issued principal amount and included in the face amount of the Warrants.

If the Issuer determines to sell its Warrants at public sale pursuant to Section 8 of this Resolution, the Warrants shall bear interest prior to maturity at a rate or rates per annum not to exceed a maximum of ten percent (10%), the exact rate or rates of interest to be determined by competitive bidding at advertised public sale as hereinafter provided. If the Issuer determines to sell its Warrants to the Indiana Bond Bank (the "Bond Bank") pursuant to the terms and conditions hereinafter set forth, the Warrants shall bear interest prior to maturity at a rate or rates per annum not to exceed a maximum of four percent (4%), the exact rate or rates to be determined under the terms of an advance funding agreement between the Bond Bank and the Issuer substantially in the form attached to this Resolution as Exhibit A (the "Advance Funding Agreement") in accordance with the provisions of Indiana Code 5-1.5. If the Issuer determines to sell its Warrants to the Bond Bank, interest shall be

1 computed from the date of each temporary loan made to the
2 Issuer by the Bond Bank under the Advance Funding Agreement
3 (each an "Advance") to the date of payment, based on the
4 average daily balance of Advances outstanding, all as further
5 set forth under the Advance Funding Agreement. In any event
6 Warrants not timely paid will bear interest at a rate or
7 rates not to exceed twelve percent (12%) per annum after
8 maturity. Interest shall be calculated on the basis of a
9 365-day year and the actual number of borrowing days elapsed.

10 SECTION 2. The provisions of this Section 2 shall
11 apply as additional terms of the Warrants if the Issuer
12 determines to sell its Warrants to the Bond Bank. With
13 respect to each Fund during each Borrowing Period, the
14 officers of the Issuer are authorized to deliver a principal
15 amount of Warrants up to or less than the maximum amount
16 established for any such Fund in Section 1 hereof in order to
17 comply with any requirements of the Bond Bank. The Issuer
18 shall have the option to prepay Advances under the Warrants
19 pursuant to the terms of the Advance Funding Agreement and,
20 to the extent that prior to maturity the Issuer shall have
21 received payment of part or all of the taxes in anticipation
22 of which the Warrants have been issued, the City Controller
23 is authorized and directed to prepay such Advances pursuant
24 to the terms of the Advance Funding Agreement. All Warrants
25 for each Borrowing Period will be delivered at the time of
26 the first Advance with respect to any Fund for such Borrowing
27 Period or otherwise as appropriate and in accordance with the
28 terms of the Advance Funding Agreement. All subsequent
29 Advances during such Borrowing Period will be drawn on the
30 Warrants not more frequently than weekly in the amount needed
31 by the Issuer each month for each of the respective Funds
32 based on the Period Allocation and Monthly Allocation (both
defined and set forth in the Advance Funding Agreement) for
such Borrowing Period as determined by the Bond Bank and set
forth on Schedule A to each Warrant. Each Advance drawn on

1 Warrants and any prepayment of such an Advance shall be noted
2 on Schedule B attached to each Warrant. The City Controller
3 is hereby authorized to request such Advances, and the
4 respective officers of the Issuer are authorized to deliver
5 such certificates as shall be necessary to accompany the City
6 Controller's request, pursuant to the terms of the Advance
7 Funding Agreement.

8 SECTION 3. The principal of and interest on the
9 Warrants, together with all necessary costs incurred in
10 connection with the issuance and sale of the Warrants, shall
11 be payable from the revenues to be received in the respective
12 Fund upon which such Warrant is issued. There is hereby
13 appropriated and pledged to the payment of all Warrants
14 issued with respect to each Fund in each Borrowing Period,
15 including interest and all necessary costs incurred in
16 connection with the issuance and sale of the Warrants, a
17 sufficient amount of the tax revenues, levied in 1989, and
18 payable in 1990, in each of such Borrowing Periods, for such
19 Fund and in anticipation of which the Warrants have been
20 issued, for the punctual payment of the principal of and
21 interest on the Warrants evidencing such temporary loans,
22 together with such issuance costs. The principal amount of
23 Warrants issued with respect to any Fund and maturing on or
24 before June 30, 1990, shall not exceed eighty percent (80%)
25 of the amount of the tax levy for such Fund as estimated by
26 the County Auditor to be collected at the final June 1990,
27 settlement and distribution of taxes, and the principal
28 amount of Warrants for any Fund maturing after June 30, 1990,
29 and on or before December 31, 1990, shall not exceed eighty
30 percent (80%) of the amount of the tax levy for such fund as
31 estimated by the County Auditor to be collected at the final
32 December 1990, settlement and distribution of taxes.

SECTION 4. The Warrants issued hereunder with respect
to the Fund shall be executed in the name of the Issuer by
the manual signature of the Mayor of the City of Fort Wayne,

Indiana (the "Mayor"), countersigned by the manual signature of the City Controller, and the corporate seal of the Issuer affixed thereto and attested by the manual or facsimile signature of the Clerk of the City of Fort Wayne, Indiana (the "City Clerk"). All Warrants shall be payable in lawful money of the United States of America at the principal office of Fort Wayne National Bank in Fort Wayne, Indiana, or, in the event that the Warrants are sold to the Bond Bank, at the principal corporate trust office of INB National Bank in Indianapolis, Indiana, as Trustee under the Note Indenture with the Bond Bank, dated as of April 1, 1989. Further, the Warrants shall not be delivered and no payment shall be made therefor prior to January 1, 1990.

SECTION 5. If the Issuer determines to sell its Warrants to the Bond Bank, the Warrants with respect to each Fund shall be issued in substantially the following form (all blanks, including the appropriate amounts, dates and other information to be properly completed prior to the execution delivery thereof):

FORM OF WARRANT

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF ALLEN

Due Date: [June 29 or
December 31], 1990

Principal (not to exceed): \$ _____

Interest (not to exceed): \$ _____

Total (not to exceed) : \$ _____

CITY OF FORT WAYNE, INDIANA
TEMPORARY LOAN TIME WARRANT
(_____ FUND)

FOR VALUE RECEIVED, on or before, [June 29 or December 31], 1990, the City of Fort Wayne, Indiana (the "Borrower"), shall pay to the Indiana Bond Bank (the "Bond Bank") the amount, not in excess of \$ _____ outstanding at any one time, equal to the total of all temporary loans made to the Borrower by the Bond Bank (the "Advances") in accordance with the Period Allocation and the Monthly Allocations as set forth in Schedule A to this Warrant and pursuant to a certain Advance Funding Agreement between the Bond Bank and the Borrower, dated as of _____, 19 ____ (the "Agreement"); provided, that part or all of the Advances may be prepaid at the option of the Borrower and, in the event that prior to maturity of this

Warrant the Borrower receives payment of part or all of the taxes in anticipation of which this Warrant has been issued, the Borrower shall prepay all or a portion of such Advances to the extent required by and in accordance with the terms of the Agreement. The actual Advances made to the Borrower and any prepayment on such Advances shall be recorded on Schedule B to this Warrant.

In addition, the Borrower on the due Date hereof shall pay to the Bond Bank interest at the rate of _____% per annum on the average daily balance of Advance outstanding from time to time hereunder, with such interest to be computed from the date of each Advance to the date of payment and calculated on the basis of a 365-day year and the actual number of borrowing days elapsed. Under the Note Indenture dates as of April 1, 1989, INB National Bank, Indianapolis, Indiana, is serving as the Bond Bank's Trustee (the "Trustee"). In the event that the principal of and interest on this Warrant are not paid in full to the Bond Bank at the principal corporate trust office of the Trustee in immediately available funds on or before 12:00 noon (Indianapolis time) on the Due Date, this Warrant shall thereafter bear interest (i) if the next succeeding day following the Due Date is a day on which banking institutions in New York and Indiana are not authorized by law to close or remain closed (a "Business Day"), at the rate of 9.76% per annum until paid and (ii) if the next succeeding day following the Due Date is not a Business Day, at the rate of 6.51% per annum from the Due Date until the next succeeding Business Day, and at the rate of 9.76% per annum thereafter until paid.

This Warrant evidences a temporary loan to provide funds to meet current expenses of the _____ Fund in an aggregate amount not in excess of _____ Dollars (\$_____), exclusive of interest added thereto to maturity, and has been authorized by an ordinance adopted by the Common Council of the City of Fort Wayne, Allen County, Indiana, on December __, 1989, in accordance with Indiana Code, Title 36, Article 4, Chapter 6, and all other acts amendatory thereof or supplemental thereto.

All payments or prepayments of principal and interest to be made by the Borrower to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in Indianapolis, Indiana.

This Warrant is issued in anticipation of the tax levy which has been made for the _____ Fund in 1989, collectable in the year 1990, which tax levy is now in the course of collection. there has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the _____ Fund tax levy. The principal amount of all Warrants payable from the _____ Fund [and maturing on or before June 30, 1990] does not exceed eighty percent (80%) of the taxes levied for the _____ Fund estimated by the County Auditor to be collected for and distributed to such fundat the final [June or December] 1990, settlement and distribution of taxes.

It is further hereby certified, recited and declared that all acts, conditions and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that _____

Fund tax levy from which (together with other amounts in the _____ Fund) this Warrant is payable, is a valid and legal levy; and that the Borrower will reserve a sufficient amount of the proceeds of the _____ Fund tax levy, currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

IN WITNESS WHEREOF, the City of Fort Wayne, in the County of Allen, Indiana, has caused this Warrant to be executed in its corporate name by the Mayor of the City of Fort Wayne, Indiana, countersigned by the City Controller of Fort Wayne, Indiana, and its corporate seal to be hereunto affixed and attested by the City Clerk of the City of Fort Wayne, Indiana, all as of the _____ day of _____, 1990.

CITY OF FORT WAYNE, INDIANA

BY:

Mayor, City of Fort Wayne,
Indiana

[SEAL]

ATTEST:

City Clerk, City of Fort Wayne,
Indiana

COUNTERSIGNED:

By:

City Controller, City of
Fort Wayne, Indiana

SCHEDULE A

<u>MONTH</u>	<u>MONTHLY ALLOCATIONS</u>
[January/July]	\$ _____
[February/August]	\$ _____
[March/September]	\$ _____
[April/October]	\$ _____
[May/November]	\$ _____
[June/December]	\$ _____
Period Allocation	\$ _____

SCHEDULE B

<u>Date of Advance or Prepayment</u>	<u>Amount of Advance</u>	<u>Amount of Prepayment</u>	<u>Month End Balance</u>
--	------------------------------	---------------------------------	------------------------------

(End of Form Warrant)

If the Issuer determines to sell the Warrants at public sale and not to the Bond Bank, the Warrants shall be issued in substantially the following form (all blanks, including

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the appropriate amounts, dates and other information to be properly completed prior to the execution and delivery thereof):

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF ALLEN

Due [June 29 or
December 31,] 1990

Principal \$ _____

Interest \$ _____

\$ _____

CITY OF FORT WAYNE, INDIANA
TEMPORARY LOAN TIME WARRANT
(_____ FUND)

FOR VALUE RECEIVED, the City of Fort Wayne, Indiana (the "Issuer"), shall pay to the bearer at the [Name of Bank] the sum of \$ _____. In addition, the Issuer at maturity shall pay to the bearer interest at the rate of _____% per annum, calculated on the basis of a 365-day year and the actual number of borrowing days elapsed.

This Warrant evidences a temporary loan to provide funds to meet the current expenses of the _____ Fund in an aggregated amount of _____ Dollars (\$ _____), and has been authorized by an ordinance adopted by the Common Council of the City of Fort Wayne, Indiana, on _____, 1989, in accordance with Indiana Code, Title 36, Article 4, Chapter 6, and all other acts amendatory thereof or supplemental thereto.

This Warrant is issued in anticipation of the tax levy which has been made for the _____ Fund in the year 1989, collectable in the year 1990, which tax levy is now in the course of collection. There has been appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the _____ Fund tax levy. The principal amount of all warrants payable from the _____ Fund [and maturing on or before June 30, 1990, - or - and maturing after June 30, 1990, and on or before December 31, 1990,] does not exceed eighty percent (80%) of the taxes levied for the _____ Fund as estimated by the County Auditor to be collected for and distributed to such fund at the final [June or December] 1990, settlement and distribution of taxes.

It is hereby certified, recited and declared that all acts, conditions and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that the _____ Fund tax levy from which (together with other amounts in the _____ Fund) this Warrant is payable, is a valid and legal levy; and that the Issuer will reserve a sufficient amount of the proceeds of the _____ Fund tax levy for the payment of the principal of and interest on this Warrant.

Mayor, City of Fort Wayne,
Indiana

City Controller, City of
Fort Wayne, Indiana
Board of

SECTION 7. The City Controller is authorized to determine in his sole discretion and with respect to each Borrowing Period, either to sell all of the Warrants at public sale pursuant to the provisions of Indiana Code 5-1-11 or to sell all of the Warrants to the Bond Bank pursuant to the provisions of Indiana Code 5-1.5. any such determination shall be evidenced by the transmittal by the City Controller to the Common Council of a certified copy of either (a) the notice of sale described in Section 8 of this Ordinance if the Warrants are to be sold at public sale or (b) the Advance Funding Agreement with the Bond Bank and a Notice of Intention to Sell Warrants as described in Section 9 of this Ordinance if the Warrants are to be sold to the Bond Bank.

SECTION 8. The provisions of this Section 8 shall govern the sale of the Warrants if the Mayor and the City Controller determine to sell the Warrants at public sale pursuant to this Ordinance. In the event and to the extent required by the provisions of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission, together with any and all applicable rules and regulations of the Municipal Securities Rulemaking Board, Warrants shall be offered and sold under this Section 8 pursuant to an Official Statement with respect to the Warrants, to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required thereby. The City Controller, on behalf of the Issuer, is authorized to sell the Warrants in multiples of Five Thousand Dollars (\$5,000) or such other multiples as the City Controller may designate. Prior to the sale of the Warrants, the City Controller shall cause to be published a notice of sale in accordance with the provisions of Indiana Code 5-3-1 two (2) times, at lease one week apart, with the first of each of such publications to be made at least fifteen (15) days prior to the date fixed for the sale of such Warrants and the second publication to be made at least three (3) days prior to the date fixed for such sale. The notice of sale shall be in substantially the following form:

NOTICE TO BIDDERS FOR
THE CITY OF OF FORT WAYNE.
TEMPORARY LOAN TIME WARRANTS
(GENERAL, CITY BOND REPAYMENT, FIRE
PARKS AND RECREATION GENERAL,
POLICE PENSION AND FIRE PENSION FUNDS)

Notice is hereby given that pursuant to Ordinance No. _____ adopted by the Common Council (the "Common Council") of the City of Fort Wayne, Indiana (the "Issuer"), on the _____ day of _____, 1989, that the City Controller shall receive sealed bids at the Office of the City Controller in the City of Fort Wayne, Indiana, at ____:____.M. (E.S.T.), on the _____ day of _____, 1990, for the temporary loan time warrants of the Issuer (ther "Warrants").

The temporary loans evidenced by such Warrants for the Issuer's General Fund, City Bond Repayment Fund, Fire Fund, Parks and Recreation General fund, Police Pension Fund and Fire Pension Fund (collectively, the "Funds") are payable from current tax revenues actually levied in 1989, and in the course of collection for the Funds for the year 1990, and

such Warrants and the loans evidenced thereby have been authorized by the above described Ordinance of the Common Council, which Ordinance appropriates and pledges a sufficient amount of such tax revenues for the punctual payment of the principal of and interest on such Warrants, together with all necessary issuance costs thereof.

A separate Warrant will be issued for each Fund in a principal amount not to exceed \$_____ for the General Fund, \$_____ for the City Bond Repayment Fund, \$_____ for the Fire Fund, \$_____ for the Parks and Recreation General Fund, \$_____ for the Police Pension Fund and \$_____ for the Fire Pension Fund, and \$_____ for the Fire Fund. The Warrants will be in such principal denomination or denominations as requested by the successful bidder or bidders, dated as of the date or dates of delivery tghereof, bearing interest from the date of delivery of each Warrant at an annual rate not exceeding ten percent (10%) per annum and all maturing and payable on [June 29 or December 31], 1990. The interest on each Warrant will be added to the principal amount and included in the face amount of each Warrant. Warrants not timely paid will bear interest at a rate or rates not to exceed twelve (12%) per annum on any amounts not paid at maturity. All Warrants will be payable to the bearer at the office of _____ in _____, Indiana.

A bid must be for all Warrants in each issue and shall state the single rate of interest which such Warrants shall bear, in multiples of 1/100 of 1%. No bid for less than par value of such Warrants shall be considered or accepted. The Warrants shall be awarded to the best responsible bidder in accordance with Indiana law. The right is reserved to reject any and all bids and, if an acceptable bid is not received on the sale date, the sale may be continued from day to day thereafter for a period not exceeding thirty (30) days without readvertisement of the sale.

The Issuer shall give the purchaser at least five (5) working days advance notice of the delivery date. The successful bidder shall accept delivery of the Warrants and make payment therefor at such bank as the Issuer shall designate.

The Warrants will be in typewritten or printed form, duly executed by the manual signature of the Mayor of the City of Fort Wayne, countersigned by the City Controller of the City of Fort Wayne, and the corporate seal of the Issuer affixed thereto and attested by the manual or facsimile signature of the Clerk of the City of Fort Wayne, and a trnascript of the proceedings, including a no litigation certificate, will be delivered to the successful bidder together with the approving opinion of _____, bond counsel, concerning the legality of such WEarrants, and a sufficient and reasonable number of copies of the final Official Statement of the Issuer with respect to the Warrants, delivered within seven (7) business days of the award of the Warrants or prior to the time of payment of the purchase price of the Warrants, whichever is earlier, all and only in the event, to the extent and in accordance with the requirements of SEC Rule 15c2-12 and the Municipal Securities Rulemaking Board.

City Controller, City of
Fort Wayne, Indiana

SECTION 9. The provisions of this Section 9 shall govern the sale of the Warrants if the City Controller determines to sell such Warrants to the Bond Bank pursuant to this Ordinance. With respect to each Borrowing Period, the City Controller, on behalf of the Issuer, is authorized to sell to the Bond Bank the Warrants for the Funds and is also authorized to execute and deliver a Notice of Intention to Sell Warrants (the "Notice") to the Bond Bank, which Notice shall be a commitment of the Issuer to sell its Warrants to the Bond Bank. The Warrants shall be sold to the Bond Bank pursuant to the Advance Funding Agreement, which is hereby authorized to be entered into and executed by the City Controller and the City Clerk, on behalf of the Issuer, subsequent to the date of the adoption of this Ordinance substantially in the form attached hereto as Exhibit A, with such necessary or appropriate changes in form and substance as may be approved by the City Controller and the City Clerk, with such execution to be conclusive evidence of such authorized approval. The Advance Funding Agreement and the Notice shall set forth the definitive terms and conditions for such sale, including the interest rate or rates on the Warrants, not exceeding four percent (4%) per annum, which rate does not exceed the maximum authorized rate of interest for Warrants issued and sold to the Bond Bank pursuant to this Ordinance. Warrants sold to the Bond Bank shall be accompanied by all documentation required by the Bond Bank pursuant to the provisions of Indiana Code 5-1.5 and the Advance Funding Agreement, including without limitation an approving opinion of Baker & Daniels, specially designated bond counsel for the Warrants; certification and guarantee of signatures; and certification as to no litigation pending as of the date of delivery of the Warrants to the Bond Bank challenging the validity or issuance of the Warrants. The entry by the Issuer into the Advance Funding Agreement and the execution of the Advance Funding Agreement on behalf of

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evidence, establish or ensure such continuing exclusion of the interest on the Warrants.

SECTION 13. That this Ordinance shall be in full force and effect from and after any and all necessary approval by the Mayor.


Councilmember

APPROVED AS TO FORM
AND LEGALITY


J. Timothy McCaulay, City Attorney

BILL NO. S-89-12-39 (*is amended*)

REPORT OF THE COMMITTEE ON FINANCE

MARK E. GIAQUINTA, CHAIRMAN
THOMAS C. HENRY, VICE CHAIRMAN
BRADBURY, SCHMIDT, BURNS

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS
REFERRED AN (ORDINANCE) XXXXXXXXXX authorizing the City
of Fort Wayne, Indiana (the "Issuer") (RESOLUTION) to make temporary loans to
meet current expenses for the City Departments - Issuance of
time warrants

HAVE HAD SAID (ORDINANCE) (RESOLUTION) UNDER CONSIDERATION
AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID
(ORDINANCE) (RESOLUTION)

DO PASS

DO NOT PASS

ABSTAIN

NO REC

Mark E. Giaquinta

Thomas C. Henry

MS Schmidt

Bradbury

DATED:

Sandra E. Kennedy
City Clerk

ADVANCE FUNDING AGREEMENT

between

INDIANA BOND BANK

and

Relating to

INDIANA BOND BANK
COMPOSITE ADVANCE FUNDING PROGRAM NOTES,
SERIES 1989

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ADVANCE FUNDING AGREEMENT

THIS ADVANCE FUNDING AGREEMENT has been executed as of this ____ day of _____, 1989, by the INDIANA BOND BANK (the "Bond Bank"), a public body corporate and politic organized under the laws of the State of Indiana, and _____ (the "Qualified Entity"), a political subdivision of the State of Indiana (the "State").

RECITALS

1. The Bond Bank was created by and exists under the provisions of Indiana Code 5-1.5 (the "Act") for the public purposes and for the exercise of powers established and authorized therein, including the power to issue its bonds or notes and to purchase securities of qualified entities, as defined in the Act.
2. The Qualified Entity is a duly existing political subdivision of the State and is a "qualified entity" within the meaning of the Act, lawfully empowered to undertake all transactions and execute all documents mentioned or contemplated herein, including the issuance in accordance with the provisions of Indiana Code _____ of warrants in anticipation of the receipt of ad valorem taxes levied and in the course of collection (the "Warrants").
3. The Bond Bank has established its Composite Advance Funding Program (the "Program") under which the Bond Bank will purchase Warrants of qualified entities participating in the Program, and the Bond Bank has issued its Composite Advance Funding Program Notes, Series 1989 (the "Notes"), for the purpose of providing funds to finance the Program.
4. In connection with the issuance of the Notes, the Bond Bank has entered into a Note Indenture dated as of April 1, 1989 (the "Indenture"), between the Bond Bank and INB National Bank, Indianapolis, Indiana, as Trustee (the "Trustee"), pursuant to which the Notes have been issued and all of the rights of the Bond Bank under this Agreement have been assigned to and assumed by the Trustee to secure the Notes.
5. The Bond Bank and the Qualified Entity desire to set out the terms and conditions governing the purchase of Warrants by the Bond Bank from the Qualified Entity and the making of Advances thereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Bond Bank and the Qualified Entity hereby agree as follows:

SECTION 1. Definitions. As used in this Agreement, unless a different meaning is clearly indicated by the context, the following words will have the following definitions:

"Advance" means any payment of funds by the Trustee on behalf of the Bond Bank to the Qualified Entity pursuant to the Bond Bank's purchase of a Warrant.

"Advance Distribution" means, with respect to any fund or funds of a Qualified Entity upon which Warrants have been issued, any receipt by the Qualified Entity of tax collections from its County Auditor in advance of final settlement and distribution of such tax collection for such fund or funds.

"Agreement" means this Advance Funding Agreement between the Bond Bank and the Qualified Entity, as amended or supplemented from time to time.

"Auditor" or "County Auditor" means the authorized officer of the county in which the Qualified Entity is located with jurisdiction and responsibility for the remittance of tax revenues collected for the Qualified Entity.

"Authorized Official" means the duly elected or appointed Treasurer, Controller, Clerk-Treasurer, School Superintendent, School Business Manager or other designated official of the Qualified Entity or, to the extent permitted by law, an authorized deputy thereof.

"Borrowing Period" means (a) the period from July 1, 1989 to December 31, 1989, and each six-month period from January 1 through June 30 and from July 1 through December 31 thereafter during 1990 and 1991 or (b) such other period as may be established by the Bond Bank and approved by Standard & Poor's Corporation under this Agreement.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday or any other day on which banking institutions in Indiana or New York are authorized by law to close or to remain closed.

"Code" means the Internal Revenue Code of 1986, as amended and in effect on the date of delivery of any Warrants hereunder, together with the applicable judicial decisions and published rulings and any applicable regulations promulgated or proposed thereunder or under the Internal Revenue Code of 1954.

"Cumulative Cash Flow Deficit" means, with respect to any fund of a Qualified Entity upon which Warrants are issued and with respect to a stated period, the amount by which (i) disbursements paid or to be paid that would ordinarily be paid from such fund out of ad valorem property tax revenues and other revenues of such fund exceed (ii) amounts available (exclusive of Warrant proceeds) for the payment of such disbursements during such period.

"Fiscal Year" means, when applied to the Qualified Entity, the fiscal year of the Qualified Entity which commences on the first day of January of a calendar year and terminates on the last day of December of such year and, when applied to the Bond Bank, the fiscal year of the Bond Bank which commences on the first day of July and terminates on the last day of June of the following calendar year.

"Indenture" means the Note Indenture dated as of April 1, 1989, between the Bond Bank and the Trustee, as amended or supplemented from time to time.

"Initial Term" means the remaining portion of the Fiscal Year of the Qualified Entity following the date of this Agreement.

"Monthly Allocation" means that portion of the Period Allocation permitted to be borrowed by a Qualified Entity during any particular month in a Borrowing Period.

"Opinion of Bond Counsel" means a written opinion of a nationally recognized law firm experienced in matters relating to the tax exemption of interest payable on obligations of states and their instrumentalities and political subdivisions, and which is acceptable to the Bond Bank and the Trustee.

"Outstanding," or "outstanding Warrant" means the unpaid amount of any Warrant purchased by the Bond Bank pursuant to this Agreement and not theretofore paid by the Qualified Entity.

"Period Allocation" means the aggregate amount that has been established by the Bond Bank pursuant to Section 3.1 of this Agreement for deposit into the Warrant Purchase Account of the Qualified Entity in order to fund the purchase of Warrants during a Borrowing Period and the making of Advances thereunder during such Borrowing Period in an amount limited to the sum of the Monthly Allocations for such Borrowing Period as determined from time to time pursuant to Section 3.1 of this Agreement.

"Reinvestment Rate I" means the rate of 6.51% per annum.

"Reinvestment Rate II" means the rate of 9.76% per annum.

"Renewal Term" means the 1990 or 1991 Fiscal Year of the Qualified Entity.

"Small Issue Certificate" means, with respect to any Borrowing Period or Tax Period, a certificate of a Qualified Entity, delivered either separately or in connection with any other required certification and satisfactory in form and substance to the Bond Bank, together with such supporting schedules, documentation and data as may be requested by the Bond Bank, to the effect that, for the calendar year in which such Borrowing Period or Tax Period takes place, Warrants issued by the Qualified Entity will be exempt from rebate of any and all arbitrage earnings to the United States government by reason of qualification under the requirements of Section 148(f)(4)(C) of the Code.

"Standard & Poor's" means Standard & Poor's Corporation, a New York corporation, its successors and assigns, and in the event such corporation or its successor no longer performs the function of a securities rating agency, any other nationally recognized rating agency designated by the Bond Bank with notice to the Qualified Entity.

"Tax Period" means the six-month period beginning on the date of issuance of any Warrants under the Program.

"Trustee" means INB National Bank, Indianapolis, Indiana, as Trustee under the Indenture, or any successor trustee thereunder.

"Warrant" means an obligation issued by the Qualified Entity in anticipation of the receipt of ad valorem taxes levied and in the course of collection and sold to the Bond Bank in accordance with the provisions of the Indenture and this Agreement.

"Warrant Purchase Account" means the Warrant Purchase Account established for the Qualified Entity in the Warrant Purchase Fund held by the Trustee under the Indenture.

For the purposes of this Agreement, (i) when reference is made to the purchase of Warrants, such reference shall be deemed also to refer to an Advance to the Qualified Entity thereunder from time to time; and (ii) references to the due date for payment of Warrants shall include the dates specified in such Warrants required for repayments of Advances made pursuant to such Warrant.

Terms defined in the Indenture and not defined in this Agreement shall, for the purposes of this Agreement, have the meanings ascribed to them in the Indenture.

SECTION 2. Representations.

2.1 Representations by the Bond Bank. The Bond Bank hereby represents and warrants to the Qualified Entity that:

a. The Bond Bank is a public body corporate and politic of the State of Indiana established and existing under the Act and has full power and authority to enter into this Agreement and to perform its obligations hereunder;

b. By all required action, this Agreement and the Indenture and their respective execution and delivery have been duly adopted, authorized and approved by the Bond Bank in all respects; and

c. The execution and delivery by the Bond Bank of this Agreement and the performance by the Bond Bank of its obligations hereunder will not violate or result in a breach of any of the terms of, or constitute a default under, the Act, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Bond Bank is a party or by which it is bound.

2.2 Representations of the Qualified Entity. The Qualified Entity hereby represents and warrants to the Bond Bank that:

a. The Qualified Entity is a duly organized and existing _____ of the State and constitutes a "qualified entity" within the meaning of the Act;

b. The Qualified Entity has full power and authority to enter into this Agreement and perform its obligations hereunder;

c. By all required action, the Qualified Entity has duly authorized the execution and delivery of this Agreement;

d. The execution and delivery of this Agreement by the Qualified Entity and its performance of its obligations hereunder will not conflict with or result in a breach under or constitute a default under any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Qualified Entity is a party or by which it is bound;

e. There is no litigation pending or, to the knowledge of the Qualified Entity, threatened that (i) challenges or questions the validity or binding effect of this Agreement or the authority or ability of the Qualified Entity to execute and deliver this Agreement and perform its obligations hereunder or (ii) would, if adversely determined, have a significant adverse effect on the ability of the Qualified Entity to meet its obligations under this Agreement;

f. The Qualified Entity has not, at any time during the last 40 years, failed to pay when due interest or principal on, and is not now in default under, any bond, note, warrant or other evidence of obligation or indebtedness of the Qualified Entity;

g. The Qualified Entity has, during its three most recent Fiscal Years, achieved an ad valorem property tax collection rate of at least 85% of net assessed property taxes;

h. All information furnished by the Qualified Entity to the Bond Bank or any other person in connection with the computation of the Period Allocations and the Monthly Allocations for the Qualified Entity is accurate and complete in all material respects;

i. The Qualified Entity has not purchased and will not purchase, pursuant to any arrangement, formal or informal, the Notes in an amount related to the Warrants;

j. The Qualified Entity has taken or will take all proceedings required by law to enable it to issue and sell the Warrants to the Bond Bank pursuant to this Agreement;

k. Unless the Qualified Entity has delivered to the Bond Bank a Small Issue Certificate in accordance with this Agreement, the maximum anticipated Cumulative Cash Flow Deficit with respect to each fund upon which the Warrants of the Qualified Entity will be issued during any Borrowing Period will be demonstrably expected to exceed ninety percent (90%) of the proceeds of the Warrants issued for such fund during such Borrowing Period; and

l. With respect to Warrants issued during any Borrowing Period, and as a pre-condition to the issuance and sale of such Warrants, there shall be levied and in the course of collection ad valorem taxes in an amount in excess of the amount of the Warrants.

Each of the foregoing representations and warranties will be deemed to have been made by the Qualified Entity as of the date of this Agreement and as of the date of any purchase of or Advance under Warrants made by the Bond Bank hereunder.

SECTION 3. Obligation of Bond Bank to Purchase Warrants.

3.1 Allocation. (a) Prior to the execution and delivery of this Agreement, the Qualified Entity has filed with the Trustee a certificate executed by an Authorized Official of the Qualified Entity setting forth (i) the amount received or estimated to be received into each applicable fund during each month of its 1987, 1988 and 1989 Fiscal Years, (ii) the amount expended or estimated to be expended from each such applicable fund during each month of each such Fiscal Year, and (iii) the amounts representing or estimated to represent the balance in each applicable fund as of the end of each month of each such Fiscal Year. On the basis of such certification and in reliance thereon, the Bond Bank, with the approval of Standard & Poor's, has projected and allocated to the Qualified Entity for each Borrowing Period a Period Allocation and individual Monthly Allocations as set forth in Exhibit A attached hereto and incorporated herein. The Qualified Entity acknowledges and agrees that the Period Allocations and each of the Monthly Allocations set forth in Exhibit A have been prepared by the Bond Bank based solely upon the information and certifications

of the Qualified Entity, and the Qualified Entity, by execution of this Agreement, hereby ratifies and confirms as of the date hereof the information contained therein and approves and agrees to the Period Allocations and Monthly Allocations set forth in Exhibit A.

(b) The Bond Bank may reduce or terminate the Period Allocation or any Monthly Allocation available to the Qualified Entity in any Borrowing Period, and with respect to any and all Borrowing Periods thereafter, in the event that (i) with respect to any Borrowing Period commencing on or after July 1, 1990, the Qualified Entity has not elected to sell Warrants to the Bond Bank hereunder during the then-current or immediately preceding Borrowing Period or (ii) the Bond Bank determines that the previously designated Period Allocations or Monthly Allocations have been underutilized by the Qualified Entity.

(c) Subject to the provisions of Section 4.9 of the Indenture, the Bond Bank may establish and amend Exhibit A to reflect the establishment of new Period Allocations or new Monthly Allocations for the Qualified Entity acceptable to Standard & Poor's for any Borrowing Period or Renewal Term.

3.2 Purchase of Warrants and Advances. During each Borrowing Period of the Initial Term and of any Renewal Term of this Agreement, so long as the Qualified Entity (i) is not in default in the payment of any Warrants purchased by the Bond Bank pursuant to this Agreement or in the performance of any of its other obligations under this Agreement and (ii) the Qualified Entity has filed with the Bond Bank, not later than the first (1st) day of the month immediately preceding the commencement date of the Borrowing Period, the prescribed form of its notice of intention to sell Warrants to the Bond Bank during such Borrowing Period, the Bond Bank shall purchase a Warrant or Warrants tendered by the Qualified Entity and shall make Advances to the Qualified Entity pursuant thereto. The Bond Bank shall make Advances to the Qualified Entity on any Wednesday (or, if Wednesday is not a Business Day, on the next Business Day thereafter) during the Borrowing Period upon receipt by the Trustee from the Qualified Entity of a notice of request for Advance at least seven (7) days prior to the date for which such Advance is requested, unless a shorter notice period is expressly agreed to by the Bond Bank; provided, that the outstanding balance of Advances to the Qualified Entity with respect to Warrants issued on a particular fund for any Borrowing Period shall not exceed at any time either the Period Allocation for the Qualified Entity for such Borrowing Period or the aggregate Monthly Allocations for the Qualified Entity through and including such month in the Borrowing Period, without the prior consent of the Bond Bank.

3.3 Terms of Purchase. The purchase price of each Warrant or each Advance made hereunder shall be par. The Warrants purchased or Advances made thereunder pursuant to the provisions of Section 3.2 hereof shall bear interest prior to their due date or dates at the rate or rates set forth therein, with such rates not to exceed four percent (4.0%) per annum, and with such exact rate or rates to be determined by the Bond Bank as of the first day of January and the first day of July of each year. To the extent permitted by law and in accordance with Section 3.6 of this Agreement or otherwise by the determination of the Bond Bank, any Warrant upon which interest at the stated rate is not paid on or before the due date shall bear interest at Reinvestment Rate I or Reinvestment Rate II thereafter until paid.

3.4 Method of Payment. The Bond Bank shall make payment for the Warrants purchased by it or Advances made by it pursuant to this Agreement by causing the Trustee to make payment therefor to the Qualified Entity from the Warrant

Purchase Account established for the Qualified Entity within the Warrant Purchase Fund under the Indenture.

3.5 Periodic Statements. At the time of each Warrant purchase or Advance, the Bond Bank shall cause the Trustee to prepare and send to the Authorized Official a statement setting forth the amount of the Period Allocation of the Qualified Entity for the then-current Borrowing Period, the outstanding balance of Advances and the available balance in the Qualified Entity's Warrant Purchase Account for the then-current Borrowing Period.

3.6 Payment of Warrants. Prior to the due date of each Warrant, the Trustee will give notice to the Authorized Official that payment is due thereon; provided, that any failure by the Trustee to give such notice shall not relieve the Qualified Entity of its obligation to repay its Warrants, at their stated rate of interest, when due. In any event, the Trustee shall present Warrants for payment on or before their due date, which shall be a Business Day not earlier than the date on which the Qualified Entity expects that it will have received tax collections sufficient to retire such Warrant and not later than the applicable June 30 or December 31 following the receipt by the Qualified Entity of tax collections in anticipation of which such Warrants have been issued. The Qualified Entity agrees to provide for the timely payment of the Warrants in funds that are received by and available for immediate transfer or investment by the Trustee on or before 12:00 noon, Indianapolis time, on the due date. Payments received after 12:00 noon, Indianapolis time, on the due date will bear interest at (i) Reinvestment Rate I, if the next succeeding calendar day is not also a Business Day, and through and until 12:00 noon on the next succeeding calendar day which is also a Business Day, and thereafter at Reinvestment Rate II until paid in full or (ii) Reinvestment Rate II until paid in full, if the next succeeding calendar day is also a Business Day.

3.7 Request for Advance Distributions. During each Borrowing Period in which it is participating in the Program, the Qualified Entity shall, not later than thirty (30) days prior to the due date of its Warrants for such Borrowing Period, submit a request in accordance with Indiana law to the Auditor for an Advance Distribution of not less than ninety-five percent (95%) of tax collections for each fund in anticipation of which its Warrants have been issued and sold to the Bond Bank under the Program.

3.8 Prepayment. The Qualified Entity shall be permitted to prepay, on the first or the fifteenth day or the next applicable Business Day (each a "Prepayment Date") of any month during each Borrowing Period, all or any portion of the principal amount of Outstanding Warrants without any premium for prepayment. The Qualified Entity shall also be permitted to pay the entire amount of principal of and interest accrued on its Warrants on and as of the date of final settlement of tax distributions for the fund or funds in anticipation of which the Warrants have been issued (the "Final Settlement Date"). Unless otherwise provided by the Bond Bank, to the extent that the Qualified Entity receives any Advance Distribution from the County Auditor of tax collections anticipated by the Warrants, the Qualified Entity shall be required to repay to the Bond Bank, on the next succeeding Prepayment Date, the entire amount of such Advance Distribution less (i) the aggregate amount, if any, of the unused Period Allocation for such Qualified Entity remaining for the then-current Borrowing Period and (ii) the aggregate amount, if any, of Advance Distributions projected to be received by the Qualified Entity during the remainder of the then-current Borrowing Period which have been reflected in the financial information previously submitted to the Bond Bank pursuant to

Section 3.1, Section 4.1 or Section 6 of this Agreement. All prepayments required to be made by the Qualified Entity on any Prepayment Date shall be made in funds that are available for immediate transfer or investment by the Trustee on or before 12:00 noon, Indianapolis time, on such Prepayment Date, and any required prepayments received after such date and time due shall bear interest at Reinvestment Rate I, to the extent permitted by law. In the event of any Advance Distribution to the Qualified Entity as described in this Section 3.8, and pending the payment to the Bond Bank of all or a portion of such Advance Distribution to the extent required hereunder, the Qualified Entity shall keep the amount of such Advance Distribution invested in investment securities specified in Section 5.4 of this Agreement from the date of their receipt until the applicable Prepayment Date. In the event of prepayment under this Section 3.8, the Trustee shall send to the Authorized Official a statement of the remaining unused Period Allocation and the individual Monthly Allocations for the balance of the Borrowing Period based upon the principal amount of Warrants still Outstanding (adjusted to reflect such prepayment) and the due date or dates with respect thereto.

SECTION 4. Further Conditions and Limitations.

4.1 Budget and Levy. Prior to the purchase by the Bond Bank of any Warrants, the Qualified Entity shall have filed with the Trustee each of the following:

a. A certificate, executed by the Authorized Official, stating:

- i. The amount of the Cumulative Cash Flow Deficit projected to occur in each of the funds of the Qualified Entity for which Advances will be made and Warrants will be purchased during each month of each Borrowing Period;
- ii. The amount of taxes estimated by the Auditor or his or her deputy to be collected for and distributed to the Qualified Entity on the date of settlement for each of the funds in anticipation of which the Warrants are to be issued; and
- iii. That the Qualified Entity (A) has duly, regularly and properly adopted a budget for the then-current Fiscal Year setting forth expected revenues and probable expenditures, (B) has complied with all statutory and regulatory requirements with respect to the adoption of such budget, and (C) will expend the proceeds of the Warrants for lawful purposes provided for in the budget;

b. A copy of the resolutions or ordinances of the Qualified Entity authorizing the issuance of such Warrants or Advances thereunder and appropriating and pledging funds for their repayment, certified by an authorized officer of the Qualified Entity, or extracts so certified from the minutes of the meeting of the Qualified Entity at which such resolutions or ordinances were adopted, setting forth such resolutions or ordinances in full;

c. An Opinion of Bond Counsel, in form and substance acceptable to the Bond Bank and the Trustee, to the effect that the Warrants bear interest that is excludable from gross income under Section 103 of the Code for purposes of federal income taxation.

d. A signed copy of the opinion of counsel to the Qualified Entity substantially in the form attached hereto as Exhibit C or a certificate of such counsel to such effect;

e. A copy of the transcript of proceedings in which the Qualified Entity has authorized the issuance and sale of the Warrants to the Bond Bank; and

f. All other documents reasonably required by bond counsel for the Bond Bank.

4.2 Advances. Prior to receiving each Advance, the Qualified Entity shall furnish to the Trustee a certificate of an Authorized Official of the Qualified Entity to the following effect: that there has been no material adverse change in the matters set forth in the certificate delivered to the Trustee pursuant to Section 4.1 of this Agreement; that the amount outstanding on the Warrant does not exceed the Period Allocation of the Qualified Entity or the aggregate Monthly Allocations unless the Bond Bank has consented in writing to the excess amount; and that funds for repayment of the Advance have been appropriated and pledged.

4.3 Timing. The Qualified Entity may approve the issuance of Warrants for a Renewal Term prior to January 1 of the Fiscal Year of the Renewal Term, but the Qualified Entity shall not issue and deliver and the Bond Bank shall not be obligated to make payment for such Warrants prior to such January 1.

4.4 Additional Limitation. (a) Notwithstanding any other provision of this Agreement, and unless the Qualified Entity has provided the Bond Bank and the Trustee with a Small Issue Certificate with respect to such Tax Period, the maximum Cumulative Cash Flow Deficit for the Tax Period during which any Warrants are issued and sold hereunder must be reasonably anticipated to exceed ninety percent (90%) of the aggregate amount of proceeds of warrants (including but not limited to Warrants issued under this Agreement) and other obligations issued by the Qualified Entity in any Borrowing Period, pursuant to the provisions of the Indiana Code, in anticipation of the receipt of revenues levied and in the course of collection for the applicable fund. In addition, the aggregate amount of Warrants issued and sold hereunder, with respect to any Borrowing Period, shall not exceed the lesser of either (i) eighty percent (80%) of the tax levy for such Borrowing Period with respect to the fund or funds upon which such Warrants are issued or (ii) such other lower amount as may be required with respect to the Qualified Entity in accordance with Indiana law.

(b) Notwithstanding any other provision of this Agreement, the Bond Bank shall not be obligated to purchase any Warrant of the Qualified Entity if the Bond Bank is then in default or in violation or breach of any covenant or agreement under the Indenture or if such purchase would cause the Bond Bank to be in default, violation or breach of any covenant or agreement under the Indenture.

SECTION 5. Agreements by Qualified Entity.

5.1 Consent by Qualified Entity. The Qualified Entity consents and agrees to the assignment and pledge of Warrants to the Trustee under the provisions of the Indenture to secure the Notes.

5.2 Valid and Binding Obligations. The Qualified Entity shall issue all Warrants to be purchased by the Bond Bank in compliance with the statutes of the State so that such Warrants will be the valid, binding and enforceable obligations of the Qualified Entity for the payment of the sums set forth therein from the funds pledged to their payment.

5.3 Form of Warrants. The Qualified Entity shall issue Warrants which are to be purchased by the Bond Bank in a form which shall be in compliance with the statutes of the State and substantially in the form attached hereto as Exhibit B, with appropriate modifications for the type of political subdivision represented by the Qualified Entity.

5.4 Prompt Payment and Prepayment of Warrants. The Qualified Entity shall cause the Authorized Official to pay the Warrants whenever sufficient funds from any source, including any Advance Distributions to the Qualified Entity by the Auditor, are available to the Qualified Entity for the payment or prepayment of such Warrants and are required to be paid or prepaid pursuant to Section 3.6 and Section 3.8 of this Agreement. The Qualified Entity shall in any event make all payments on Warrants in funds that are received by and available for immediate transfer or investment by the Trustee on or before 12:00 noon, Indianapolis time, on the date or dates that any prepayment or final payment on such Warrants is due. Notwithstanding the foregoing, the Qualified Entity agrees that, should receipts of ad valorem property taxes or moneys in lieu thereof be held for payment or prepayment to the Bond Bank by the Qualified Entity at any time prior to such payment or prepayment, whether in accordance with Section 3.8 of this Agreement or otherwise, such receipts shall be invested temporarily in investments which (i) mature no later than the due dates of such Warrants or the next succeeding Prepayment Date, if prepayment is required pursuant to Section 3.8 of this Agreement, and (ii) are limited solely to interest-bearing time deposits or certificates of deposit of any bank, trust company or national banking association which is a member of the Federal Reserve System and which is designated as a depository under and a participant in the Public Deposits Insurance Fund of the State of Indiana.

5.5 Prohibition Against Certain Other Borrowing. Notwithstanding any other provision of this Agreement to the contrary, for so long as any Warrant is Outstanding which has been issued in anticipation of revenues of a fund, the Qualified Entity shall not, without the consent of the Bond Bank, issue any warrant or comparable obligation in anticipation of the revenues budgeted for such fund for the then-current Fiscal Year.

5.6 Reporting. The Qualified Entity shall file with the Bond Bank on or before December 1 of the Initial Term and December 1 of each Renewal Term a certificate, signed by its Authorized Official, to the effect that to the date of such certification there has been no material adverse change in the financial affairs of the Qualified Entity which might adversely affect its ability to perform its obligations under this Agreement in the next ensuing Fiscal Year as contemplated by this Agreement. In addition, the Qualified Entity shall file with the Bond Bank, on or before February 28, 1990 and on or before February 28, 1991, its two Form 9s (in the case of a School Corporation) or its annual report filed with the State Board of Accounts for the preceding calendar year.

5.7 Additional Six-Month Reports Relating to Cumulative Cash Flow Deficit. Unless waived in writing by the Bond Bank, the Qualified Entity shall make available to the Bond Bank, within thirty (30) days after the end of each Borrowing Period and with respect to each fund upon which Warrants have been

issued by the Qualified Entity during such prior Borrowing Period or are anticipated to be issued by the Qualified Entity during the following Borrowing Period, such information relating to the revenues actually realized and funds actually expended within each and every such fund during such prior Borrowing Period by the Qualified Entity as the Bond Bank may require (i) to review the Qualified Entity's Period Allocation and Monthly Allocations for the following Borrowing Period and (ii) unless the Qualified Entity has delivered to the Bond Bank a Small Issue Certificate with respect to such Borrowing Period, to compute the Qualified Entity's maximum anticipated Cumulative Cash Flow Deficit or Deficits during the prior Borrowing Period.

5.8 Tax Covenants. The Qualified Entity hereby covenants that it will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause to permit to fail to be taken by it or by any party under its control, any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on its Warrants pursuant to Section 103 of the Code. The Qualified Entity further covenants that it will not do any act or thing during any Borrowing Period that any Warrant is outstanding that would cause any Warrant to be a "private activity bond" within the meaning of Section 141 of the Code or an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto. In furtherance and not in limitation of the foregoing, the Qualified Entity shall take all actions necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable to the Qualified Entity or the Warrants, including, without limitation, accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

5.9 Remedies of the Bond Bank. The Qualified Entity acknowledges and agrees that, in the event of the Qualified Entity's default on any of its obligations hereunder or under any Warrant, the Bond Bank shall have any and all remedies available at law or in equity for the enforcement of such obligation, including without limitation and subject to the condition that the same shall not affect the validity of the Warrants, the remedies set forth in the Act. The Qualified Entity further covenants and agrees that, in the event that any default on the payment of principal of or interest on a Warrant is attributable to or arises from an action or omission by a third party, governmental official or other entity in failing to pay over taxes to or collected by the Qualified Entity, thereby giving rise to a cause of action in law or at equity against such third party, official or entity, the Qualified Entity will diligently prosecute such cause of action in its own name or, at the option of the Bond Bank, and to the extent permitted by law, assign to the Bond Bank the right to pursue such cause of action in the name of the Qualified Entity.

5.10 Additional Costs Imposed on the Qualified Entity. The Qualified Entity acknowledges that the Bond Bank is authorized under the Act to collect from qualified entities certain fees and charges for its services and that qualified entities are empowered under the Act to contract for and to pay such fees and charges. The Qualified Entity agrees to pay to the Bond Bank an amount, if any, equal to all costs and expenses incurred by or on behalf of the Bond Bank from time to time as a result of any failure by the Qualified Entity to comply with any of the provisions of this Agreement.

SECTION 6. Initial Term; Renewal Term. Subject to the provisions of Section 4.9 and Section 5.14 of the Indenture and Section 3.1(b) of this Agreement, the Qualified Entity may by written notice filed with the Bond Bank and the Trustee, not later than December 1 of the Initial Term or of the prior Renewal Term, as the case may be, request that this Agreement be extended for a Renewal Term. The notice shall be accompanied by (a) a certified copy of a resolution of its governing body authorizing the renewal of the term of this Agreement and appropriating and pledging funds for the repayment of Warrants to be issued in the Renewal Term and (b) a certificate executed by the Authorized Official setting forth (i) the amount estimated to be received into each applicable fund during any month of the next succeeding Fiscal Year; (ii) the amount expected to be expended from each such applicable fund during each month of the next succeeding Fiscal Year; and (iii) the amount estimated to represent the balance in each such applicable fund as of the end of each month of the next succeeding Fiscal Year. Upon the filing with the Bond Bank and the Trustee of such resolution and certificate, the Bond Bank shall not later than December 15th notify the Qualified Entity whether it consents to the extension and state in such notice any changes in the Period Allocation or any Monthly Allocation of the Qualified Entity for the Renewal Term. Upon such request and consent by the Qualified Entity and the Bond Bank, respectively, and effective the following January 1, the term of this Agreement shall be automatically renewed for the succeeding Fiscal Year and it shall not be necessary to execute another counterpart of this Agreement or to execute any other instrument or take any other action with respect thereto other than the completion and amendment of Exhibit A pursuant to Section 3.1 for the Renewal Term; provided, that each of the Qualified Entity and the Bond Bank covenants and agrees to execute and deliver or cause to be executed and delivered any such instrument, document or report or to take or cause to be taken any such further action as may be required pursuant to this Agreement or as either the Qualified Entity or the Bond Bank may determine to be necessary or appropriate in connection with the renewal of the term of this Agreement.

SECTION 7. Miscellaneous.

7.1 Effect of Breach. Failure on the part of the Bond Bank in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Bond Bank by this Agreement or by law shall not make the Bond Bank liable in damages to the Qualified Entity or relieve the Qualified Entity from paying any Warrant or fully performing any other obligation required of it under this Agreement; provided, however, that the Qualified Entity may have and pursue any and all other remedies provided by law for compelling performance by the Bond Bank of such obligation assumed by or imposed upon the Bond Bank.

7.2 Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Bond Bank and by the Qualified Entity, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

7.3 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the Bond Bank or the Qualified Entity to be performed shall be deemed by a court of competent jurisdiction to be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Agreement.

7.4 Notices. All notices, filings and other communications shall be sent by first class mail, postage prepaid, addressed as follows:

To the Bond Bank:

Indiana Bond Bank
Capital Center, Suite 970
251 North Illinois Street
Indianapolis, Indiana 46204
Attn: Executive Director

To the Qualified Entity:

_____, Indiana 46____
Attn: _____
Telephone Number: _____

To the Trustee:

INB National Bank
One Indiana Square
Indianapolis, Indiana 46266
Attn: Corporate Trust Department

To Standard & Poor's:

Standard & Poor's Corporation
25 Broadway
New York, New York 10004
Attn: Municipal Finance Department

7.5 Expenses. Except to the extent that the Bond Bank has agreed and arranged to pay any or all of such costs, the Qualified Entity covenants and agrees to pay the costs and expenses of providing the necessary certificates, documents and opinions required to be delivered hereunder, and any and all costs, including attorneys' fees, incurred by the Bond Bank in connection with the enforcement of this Agreement in the event of a breach of or default under this Agreement by the Qualified Entity.

7.6 No Waiver. Any failure by either the Bond Bank or the Qualified Entity to exercise any right or to enforce any provision of this Agreement or of the Warrants, in the event of a breach or default by the other party, shall not be deemed to be a waiver, or to prevent or limit the subsequent exercise, of such right or the enforcement of such provision for the same or any other breach or default unless a written waiver of such right is signed by the party having such right or, in the case of a breach or default, the party to whom the duty is owed.

7.7 Applicable Law. This Agreement shall be construed in accordance with and governed by the applicable laws of the State of Indiana.

7.8 Term. This Agreement shall terminate at such time as the Qualified Entity has fully met and discharged all of its obligations hereunder.

7.9 Entire Agreement. This Agreement constitutes the entire agreement between the Bond Bank and the Qualified Entity with respect to the subject matter herein contained and supersedes any and all other negotiations, understandings or agreements between the parties, oral or written.

IN WITNESS WHEREOF, the Qualified Entity has caused its seal to be hereunto affixed and attested, and the Bond Bank and the Qualified Entity have caused this Agreement to be signed by their respective duly authorized officers, all as of the day and year first above written.

INDIANA BOND BANK
("Bond Bank")

By _____
Marjorie H. O'Laughlin, Chairman

Attest:

James H. Steele, Jr., Executive
Director

("Qualified Entity")

By _____
Printed _____
Title _____

Attest:

By _____
Printed _____
Title _____

(SEAL)

AGREEMENT AND ACKNOWLEDGEMENT OF TRUSTEE

INB National Bank, Indianapolis, Indiana, as Trustee, acting under and pursuant to the Note Indenture dated as of April 1, 1989, between the Bond Bank and the Trustee, acknowledges the execution of this Agreement and accepts and agrees to perform its obligations on behalf of the Bond Bank under this Agreement and the Indenture.

INB National Bank, as Trustee

By _____

Printed _____

Title _____

EXHIBIT A
TO ADVANCE FUNDING AGREEMENTSCHEDULE OF ESTIMATED ALLOCATED
MONTHLY BALANCE OF ADVANCES

<u>Fiscal Year, Borrowing Period and Month</u>	<u>Period Allocations</u>	<u>Monthly Allocations</u>
1989 - 2nd Borrowing Period		
July		
August		
September		
October		
November		
December		
1990 - 1st Borrowing Period		
January		
February		
March		
April		
May		
June		
1990 - 2nd Borrowing Period		
July		
August		
September		
October		
November		
December		
1991 - 1st Borrowing Period		
January		
February		
March		
April		
May		
June		
1991 - 2nd Borrowing Period		
July		
August		
September		
October		
November		
December		

EXHIBIT B
TO ADVANCE FUNDING AGREEMENT

FORM OF WARRANT

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF _____

Due Date: {June ____ or
December ____}, 19__

\$ _____

COUNTY, INDIANA
TEMPORARY LOAN WARRANT
(_____
FUND)

FOR VALUE RECEIVED, on or before [June ____ or December ____], 19__,

of _____ County, Indiana (the
"Borrower"), shall pay to the Indiana Bond Bank (the "Bond Bank") the amount,
not in excess of \$ _____ outstanding at any one time, equal to the total
of all temporary loans made to the Borrower by the Bond Bank (the "Advances") in
accordance with the Period Allocation and the Monthly Allocations as set forth
in Schedule A to this Warrant and pursuant to a certain Advance Funding
Agreement between the Bond Bank and the Borrower, dated as of _____,
19__ (the "Agreement"); provided, that part or all of the Advances may be
prepaid at the option of the Borrower and, in the event that prior to maturity
of this Warrant the Borrower receives payment of part or all of the taxes in
anticipation of which this Warrant has been issued, the Borrower shall prepay
all or a portion of such Advances to the extent required by and in accordance
with the terms of the Agreement. The actual Advances made to the Borrower and
any prepayment on such Advances shall be recorded on Schedule B to this Warrant.

In addition, the Borrower on the Due Date hereof shall pay to the Bond
Bank interest at the rate of _____% per annum on the average daily balance of
Advances outstanding from time to time hereunder, with such interest to be
computed from the date of each Advance to the date of payment and calculated on
the basis of a 365-day year and the actual number of borrowing days elapsed.
Under the Note Indenture dated as of April 1, 1989, INB National Bank,
Indianapolis, Indiana, is serving as the Bond Bank's Trustee (the "Trustee").
In the event that the principal of and interest on this Warrant are not paid in
full to the Bond Bank at the principal corporate trust office of the Trustee in
immediately available funds on or before 12:00 noon (Indianapolis time) on the
Due Date, this Warrant shall thereafter bear interest (i) if the next succeeding
day following the Due Date is a day on which banking institutions in New York
and Indiana are not authorized by law to close or remain closed (a "Business
Day"), at the rate of 9.76% per annum until paid and (ii) if the next succeeding
day following the Due Date is not a Business Day, at the rate of 6.51% per annum
from the Due Date until the next succeeding Business Day, and at the rate of
9.76% per annum thereafter until paid.

All payments or prepayments of principal and interest to be made by the Borrower to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in Indianapolis, Indiana.

This Warrant evidences a temporary loan to [provide funds to meet current expenses of] the _____ Fund in an aggregate amount not in excess of _____ Dollars (\$_____), and has been authorized by [an ordinance] [a resolution] passed and adopted by the _____ of _____, _____ County, Indiana, on _____, 19____, in accordance with Indiana Code, Title __, Article __, Chapter __, and all other acts amendatory thereof or supplemental thereto.

This Warrant is issued in anticipation of the tax levy which has been made for the _____ Fund in the year 19____, which tax levy is now in course of collection. There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the _____ Fund tax levy; [provided, that the Borrower reserves the right to pay interest on this Warrant from funds available for that purpose from the Debt Service Fund of the Borrower.] The principal amount of all Warrants payable from the _____ Fund does not exceed _____ percent (____%) of the taxes levied for the _____ Fund as estimated by the County Auditor to be collected for and distributed to such fund at the final [June 30 or December 31], 19____, settlement and distribution of taxes.

It is further hereby certified, recited and declared that all acts, conditions and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that the _____ Fund tax levy [and the Debt Service Fund tax levy, respectively,] from which (together with other amounts in the _____ Fund [and the Debt Service Fund, respectively]) this Warrant is payable [is a] [are each] valid and legal [levy] [levies]; and that the Borrower will reserve a sufficient amount of the proceeds of the _____ Fund tax levy [and the Debt Service Fund tax levy, respectively,] currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

IN WITNESS WHEREOF, _____, _____ County, Indiana, has caused this Warrant to be executed in its corporate name by the _____, and its corporate seal to be hereunto affixed and attested by the _____, all as of the _____ day of _____, 19____.

COUNTY, INDIANA

By _____

Title: _____

ATTEST:

Title: _____

SCHEDULE A

Month

Monthly Allocations

January:
February:
March:
April:
May:
June:

Period Allocation:

July:
August:
September:
October:
November:
December:

Period Allocation:

SCHEDULE B

Date of Advance
or Prepayment

Amount of
Advance

Amount of
Prepayment

Month End
Balance

EXHIBIT C
TO ADVANCE FUNDING AGREEMENT

FORM OF OPINION OF COUNSEL TO THE QUALIFIED ENTITY

- (1) The Qualified Entity has duly authorized and validly executed and delivered the Advance Funding Agreement.
- (ii) The Advance Funding Agreement constitutes a valid and binding agreement of the Qualified Entity, enforceable in accordance with its terms, subject to applicable provisions of bankruptcy laws, insolvency laws, and laws affecting creditors' rights.
- (iii) The Warrant has been duly authorized and validly executed and delivered by the Qualified Entity and constitutes a valid and binding agreement of the Qualified Entity, enforceable in accordance with its terms, subject to bankruptcy laws, insolvency laws, and laws affecting creditors' rights.
- (iv) There is not pending or, to the best of counsel's knowledge, threatened any action, suit, proceeding or investigation before any court or other public agency contesting the validity, legality or binding effect of the Agreement or the Warrants.

ADVANCE FUNDING AGREEMENT

between

INDIANA BOND BANK

and

Relating to

INDIANA BOND BANK
COMPOSITE ADVANCE FUNDING PROGRAM NOTES,
SERIES 1989

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ADVANCE FUNDING AGREEMENT

THIS ADVANCE FUNDING AGREEMENT has been executed as of this ____ day of _____, 1989, by the INDIANA BOND BANK (the "Bond Bank"), a public body corporate and politic organized under the laws of the State of Indiana, and _____ (the "Qualified Entity"), a political subdivision of the State of Indiana (the "State").

RECITALS

1. The Bond Bank was created by and exists under the provisions of Indiana Code 5-1.5 (the "Act") for the public purposes and for the exercise of powers established and authorized therein, including the power to issue its bonds or notes and to purchase securities of qualified entities, as defined in the Act.
2. The Qualified Entity is a duly existing political subdivision of the State and is a "qualified entity" within the meaning of the Act, lawfully empowered to undertake all transactions and execute all documents mentioned or contemplated herein, including the issuance in accordance with the provisions of Indiana Code _____ of warrants in anticipation of the receipt of ad valorem taxes levied and in the course of collection (the "Warrants").
3. The Bond Bank has established its Composite Advance Funding Program (the "Program") under which the Bond Bank will purchase Warrants of qualified entities participating in the Program, and the Bond Bank has issued its Composite Advance Funding Program Notes, Series 1989 (the "Notes"), for the purpose of providing funds to finance the Program.
4. In connection with the issuance of the Notes, the Bond Bank has entered into a Note Indenture dated as of April 1, 1989 (the "Indenture"), between the Bond Bank and INB National Bank, Indianapolis, Indiana, as Trustee (the "Trustee"), pursuant to which the Notes have been issued and all of the rights of the Bond Bank under this Agreement have been assigned to and assumed by the Trustee to secure the Notes.
5. The Bond Bank and the Qualified Entity desire to set out the terms and conditions governing the purchase of Warrants by the Bond Bank from the Qualified Entity and the making of Advances thereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Bond Bank and the Qualified Entity hereby agree as follows:

SECTION 1. Definitions. As used in this Agreement, unless a different meaning is clearly indicated by the context, the following words will have the following definitions:

"Advance" means any payment of funds by the Trustee on behalf of the Bond Bank to the Qualified Entity pursuant to the Bond Bank's purchase of a Warrant.

"Advance Distribution" means, with respect to any fund or funds of a Qualified Entity upon which Warrants have been issued, any receipt by the Qualified Entity of tax collections from its County Auditor in advance of final settlement and distribution of such tax collection for such fund or funds.

"Agreement" means this Advance Funding Agreement between the Bond Bank and the Qualified Entity, as amended or supplemented from time to time.

"Auditor" or "County Auditor" means the authorized officer of the county in which the Qualified Entity is located with jurisdiction and responsibility for the remittance of tax revenues collected for the Qualified Entity.

"Authorized Official" means the duly elected or appointed Treasurer, Controller, Clerk-Treasurer, School Superintendent, School Business Manager or other designated official of the Qualified Entity or, to the extent permitted by law, an authorized deputy thereof.

"Borrowing Period" means (a) the period from July 1, 1989 to December 31, 1989, and each six-month period from January 1 through June 30 and from July 1 through December 31 thereafter during 1990 and 1991 or (b) such other period as may be established by the Bond Bank and approved by Standard & Poor's Corporation under this Agreement.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday or any other day on which banking institutions in Indiana or New York are authorized by law to close or to remain closed.

"Code" means the Internal Revenue Code of 1986, as amended and in effect on the date of delivery of any Warrants hereunder, together with the applicable judicial decisions and published rulings and any applicable regulations promulgated or proposed thereunder or under the Internal Revenue Code of 1954.

"Cumulative Cash Flow Deficit" means, with respect to any fund of a Qualified Entity upon which Warrants are issued and with respect to a stated period, the amount by which (i) disbursements paid or to be paid that would ordinarily be paid from such fund out of ad valorem property tax revenues and other revenues of such fund exceed (ii) amounts available (exclusive of Warrant proceeds) for the payment of such disbursements during such period.

"Fiscal Year" means, when applied to the Qualified Entity, the fiscal year of the Qualified Entity which commences on the first day of January of a calendar year and terminates on the last day of December of such year and, when applied to the Bond Bank, the fiscal year of the Bond Bank which commences on the first day of July and terminates on the last day of June of the following calendar year.

"Indenture" means the Note Indenture dated as of April 1, 1989, between the Bond Bank and the Trustee, as amended or supplemented from time to time.

"Initial Term" means the remaining portion of the Fiscal Year of the Qualified Entity following the date of this Agreement.

"Monthly Allocation" means that portion of the Period Allocation permitted to be borrowed by a Qualified Entity during any particular month in a Borrowing Period.

"Opinion of Bond Counsel" means a written opinion of a nationally recognized law firm experienced in matters relating to the tax exemption of interest payable on obligations of states and their instrumentalities and political subdivisions, and which is acceptable to the Bond Bank and the Trustee.

"Outstanding," or "outstanding Warrant" means the unpaid amount of any Warrant purchased by the Bond Bank pursuant to this Agreement and not theretofore paid by the Qualified Entity.

"Period Allocation" means the aggregate amount that has been established by the Bond Bank pursuant to Section 3.1 of this Agreement for deposit into the Warrant Purchase Account of the Qualified Entity in order to fund the purchase of Warrants during a Borrowing Period and the making of Advances thereunder during such Borrowing Period in an amount limited to the sum of the Monthly Allocations for such Borrowing Period as determined from time to time pursuant to Section 3.1 of this Agreement.

"Reinvestment Rate I" means the rate of 6.51% per annum.

"Reinvestment Rate II" means the rate of 9.76% per annum.

"Renewal Term" means the 1990 or 1991 Fiscal Year of the Qualified Entity.

"Small Issue Certificate" means, with respect to any Borrowing Period or Tax Period, a certificate of a Qualified Entity, delivered either separately or in connection with any other required certification and satisfactory in form and substance to the Bond Bank, together with such supporting schedules, documentation and data as may be requested by the Bond Bank, to the effect that, for the calendar year in which such Borrowing Period or Tax Period takes place, Warrants issued by the Qualified Entity will be exempt from rebate of any and all arbitrage earnings to the United States government by reason of qualification under the requirements of Section 148(f)(4)(C) of the Code.

"Standard & Poor's" means Standard & Poor's Corporation, a New York corporation, its successors and assigns, and in the event such corporation or its successor no longer performs the function of a securities rating agency, any other nationally recognized rating agency designated by the Bond Bank with notice to the Qualified Entity.

"Tax Period" means the six-month period beginning on the date of issuance of any Warrants under the Program.

"Trustee" means INB National Bank, Indianapolis, Indiana, as Trustee under the Indenture, or any successor trustee thereunder.

"Warrant" means an obligation issued by the Qualified Entity in anticipation of the receipt of ad valorem taxes levied and in the course of collection and sold to the Bond Bank in accordance with the provisions of the Indenture and this Agreement.

"Warrant Purchase Account" means the Warrant Purchase Account established for the Qualified Entity in the Warrant Purchase Fund held by the Trustee under the Indenture.

For the purposes of this Agreement, (i) when reference is made to the purchase of Warrants, such reference shall be deemed also to refer to an Advance to the Qualified Entity thereunder from time to time; and (ii) references to the due date for payment of Warrants shall include the dates specified in such Warrants required for repayments of Advances made pursuant to such Warrant.

Terms defined in the Indenture and not defined in this Agreement shall, for the purposes of this Agreement, have the meanings ascribed to them in the Indenture.

SECTION 2. Representations.

2.1 Representations by the Bond Bank. The Bond Bank hereby represents and warrants to the Qualified Entity that:

a. The Bond Bank is a public body corporate and politic of the State of Indiana established and existing under the Act and has full power and authority to enter into this Agreement and to perform its obligations hereunder;

b. By all required action, this Agreement and the Indenture and their respective execution and delivery have been duly adopted, authorized and approved by the Bond Bank in all respects; and

c. The execution and delivery by the Bond Bank of this Agreement and the performance by the Bond Bank of its obligations hereunder will not violate or result in a breach of any of the terms of, or constitute a default under, the Act, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Bond Bank is a party or by which it is bound.

2.2 Representations of the Qualified Entity. The Qualified Entity hereby represents and warrants to the Bond Bank that:

a. The Qualified Entity is a duly organized and existing _____ of the State and constitutes a "qualified entity" within the meaning of the Act;

b. The Qualified Entity has full power and authority to enter into this Agreement and perform its obligations hereunder;

c. By all required action, the Qualified Entity has duly authorized the execution and delivery of this Agreement;

d. The execution and delivery of this Agreement by the Qualified Entity and its performance of its obligations hereunder will not conflict with or result in a breach under or constitute a default under any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Qualified Entity is a party or by which it is bound;

e. There is no litigation pending or, to the knowledge of the Qualified Entity, threatened that (i) challenges or questions the validity or binding effect of this Agreement or the authority or ability of the Qualified Entity to execute and deliver this Agreement and perform its obligations hereunder or (ii) would, if adversely determined, have a significant adverse effect on the ability of the Qualified Entity to meet its obligations under this Agreement;

f. The Qualified Entity has not, at any time during the last 40 years, failed to pay when due interest or principal on, and is not now in default under, any bond, note, warrant or other evidence of obligation or indebtedness of the Qualified Entity;

g. The Qualified Entity has, during its three most recent Fiscal Years, achieved an ad valorem property tax collection rate of at least 85% of net assessed property taxes;

h. All information furnished by the Qualified Entity to the Bond Bank or any other person in connection with the computation of the Period Allocations and the Monthly Allocations for the Qualified Entity is accurate and complete in all material respects;

i. The Qualified Entity has not purchased and will not purchase, pursuant to any arrangement, formal or informal, the Notes in an amount related to the Warrants;

j. The Qualified Entity has taken or will take all proceedings required by law to enable it to issue and sell the Warrants to the Bond Bank pursuant to this Agreement;

k. Unless the Qualified Entity has delivered to the Bond Bank a Small Issue Certificate in accordance with this Agreement, the maximum anticipated Cumulative Cash Flow Deficit with respect to each fund upon which the Warrants of the Qualified Entity will be issued during any Borrowing Period will be demonstrably expected to exceed ninety percent (90%) of the proceeds of the Warrants issued for such fund during such Borrowing Period; and

l. With respect to Warrants issued during any Borrowing Period, and as a pre-condition to the issuance and sale of such Warrants, there shall be levied and in the course of collection ad valorem taxes in an amount in excess of the amount of the Warrants.

Each of the foregoing representations and warranties will be deemed to have been made by the Qualified Entity as of the date of this Agreement and as of the date of any purchase of or Advance under Warrants made by the Bond Bank hereunder.

SECTION 3. Obligation of Bond Bank to Purchase Warrants.

3.1 Allocation. (a) Prior to the execution and delivery of this Agreement, the Qualified Entity has filed with the Trustee a certificate executed by an Authorized Official of the Qualified Entity setting forth (i) the amount received or estimated to be received into each applicable fund during each month of its 1987, 1988 and 1989 Fiscal Years, (ii) the amount expended or estimated to be expended from each such applicable fund during each month of each such Fiscal Year, and (iii) the amounts representing or estimated to represent the balance in each applicable fund as of the end of each month of each such Fiscal Year. On the basis of such certification and in reliance thereon, the Bond Bank, with the approval of Standard & Poor's, has projected and allocated to the Qualified Entity for each Borrowing Period a Period Allocation and individual Monthly Allocations as set forth in Exhibit A attached hereto and incorporated herein. The Qualified Entity acknowledges and agrees that the Period Allocations and each of the Monthly Allocations set forth in Exhibit A have been prepared by the Bond Bank based solely upon the information and certifications

of the Qualified Entity, and the Qualified Entity, by execution of this Agreement, hereby ratifies and confirms as of the date hereof the information contained therein and approves and agrees to the Period Allocations and Monthly Allocations set forth in Exhibit A.

(b) The Bond Bank may reduce or terminate the Period Allocation or any Monthly Allocation available to the Qualified Entity in any Borrowing Period, and with respect to any and all Borrowing Periods thereafter, in the event that (i) with respect to any Borrowing Period commencing on or after July 1, 1990, the Qualified Entity has not elected to sell Warrants to the Bond Bank hereunder during the then-current or immediately preceding Borrowing Period or (ii) the Bond Bank determines that the previously designated Period Allocations or Monthly Allocations have been underutilized by the Qualified Entity.

(c) Subject to the provisions of Section 4.9 of the Indenture, the Bond Bank may establish and amend Exhibit A to reflect the establishment of new Period Allocations or new Monthly Allocations for the Qualified Entity acceptable to Standard & Poor's for any Borrowing Period or Renewal Term.

3.2 Purchase of Warrants and Advances. During each Borrowing Period of the Initial Term and of any Renewal Term of this Agreement, so long as the Qualified Entity (i) is not in default in the payment of any Warrants purchased by the Bond Bank pursuant to this Agreement or in the performance of any of its other obligations under this Agreement and (ii) the Qualified Entity has filed with the Bond Bank, not later than the first (1st) day of the month immediately preceding the commencement date of the Borrowing Period, the prescribed form of its notice of intention to sell Warrants to the Bond Bank during such Borrowing Period, the Bond Bank shall purchase a Warrant or Warrants tendered by the Qualified Entity and shall make Advances to the Qualified Entity pursuant thereto. The Bond Bank shall make Advances to the Qualified Entity on any Wednesday (or, if Wednesday is not a Business Day, on the next Business Day thereafter) during the Borrowing Period upon receipt by the Trustee from the Qualified Entity of a notice of request for Advance at least seven (7) days prior to the date for which such Advance is requested, unless a shorter notice period is expressly agreed to by the Bond Bank; provided, that the outstanding balance of Advances to the Qualified Entity with respect to Warrants issued on a particular fund for any Borrowing Period shall not exceed at any time either the Period Allocation for the Qualified Entity for such Borrowing Period or the aggregate Monthly Allocations for the Qualified Entity through and including such month in the Borrowing Period, without the prior consent of the Bond Bank.

3.3 Terms of Purchase. The purchase price of each Warrant or each Advance made hereunder shall be par. The Warrants purchased or Advances made thereunder pursuant to the provisions of Section 3.2 hereof shall bear interest prior to their due date or dates at the rate or rates set forth therein, with such rates not to exceed four percent (4.0%) per annum, and with such exact rate or rates to be determined by the Bond Bank as of the first day of January and the first day of July of each year. To the extent permitted by law and in accordance with Section 3.6 of this Agreement or otherwise by the determination of the Bond Bank, any Warrant upon which interest at the stated rate is not paid on or before the due date shall bear interest at Reinvestment Rate I or Reinvestment Rate II thereafter until paid.

3.4 Method of Payment. The Bond Bank shall make payment for the Warrants purchased by it or Advances made by it pursuant to this Agreement by causing the Trustee to make payment therefor to the Qualified Entity from the Warrant

Purchase Account established for the Qualified Entity within the Warrant Purchase Fund under the Indenture.

3.5 Periodic Statements. At the time of each Warrant purchase or Advance, the Bond Bank shall cause the Trustee to prepare and send to the Authorized Official a statement setting forth the amount of the Period Allocation of the Qualified Entity for the then-current Borrowing Period, the outstanding balance of Advances and the available balance in the Qualified Entity's Warrant Purchase Account for the then-current Borrowing Period.

3.6 Payment of Warrants. Prior to the due date of each Warrant, the Trustee will give notice to the Authorized Official that payment is due thereon; provided, that any failure by the Trustee to give such notice shall not relieve the Qualified Entity of its obligation to repay its Warrants, at their stated rate of interest, when due. In any event, the Trustee shall present Warrants for payment on or before their due date, which shall be a Business Day not earlier than the date on which the Qualified Entity expects that it will have received tax collections sufficient to retire such Warrant and not later than the applicable June 30 or December 31 following the receipt by the Qualified Entity of tax collections in anticipation of which such Warrants have been issued. The Qualified Entity agrees to provide for the timely payment of the Warrants in funds that are received by and available for immediate transfer or investment by the Trustee on or before 12:00 noon, Indianapolis time, on the due date. Payments received after 12:00 noon, Indianapolis time, on the due date will bear interest at (i) Reinvestment Rate I, if the next succeeding calendar day is not also a Business Day, and through and until 12:00 noon on the next succeeding calendar day which is also a Business Day, and thereafter at Reinvestment Rate II until paid in full or (ii) Reinvestment Rate II until paid in full, if the next succeeding calendar day is also a Business Day.

3.7 Request for Advance Distributions. During each Borrowing Period in which it is participating in the Program, the Qualified Entity shall, not later than thirty (30) days prior to the due date of its Warrants for such Borrowing Period, submit a request in accordance with Indiana law to the Auditor for an Advance Distribution of not less than ninety-five percent (95%) of tax collections for each fund in anticipation of which its Warrants have been issued and sold to the Bond Bank under the Program.

3.8 Prepayment. The Qualified Entity shall be permitted to prepay, on the first or the fifteenth day or the next applicable Business Day (each a "Prepayment Date") of any month during each Borrowing Period, all or any portion of the principal amount of Outstanding Warrants without any premium for prepayment. The Qualified Entity shall also be permitted to pay the entire amount of principal of and interest accrued on its Warrants on and as of the date of final settlement of tax distributions for the fund or funds in anticipation of which the Warrants have been issued (the "Final Settlement Date"). Unless otherwise provided by the Bond Bank, to the extent that the Qualified Entity receives any Advance Distribution from the County Auditor of tax collections anticipated by the Warrants, the Qualified Entity shall be required to repay to the Bond Bank, on the next succeeding Prepayment Date, the entire amount of such Advance Distribution less (i) the aggregate amount, if any, of the unused Period Allocation for such Qualified Entity remaining for the then-current Borrowing Period and (ii) the aggregate amount, if any, of Advance Distributions projected to be received by the Qualified Entity during the remainder of the then-current Borrowing Period which have been reflected in the financial information previously submitted to the Bond Bank pursuant to

Section 3.1, Section 4.1 or Section 6 of this Agreement. All prepayments required to be made by the Qualified Entity on any Prepayment Date shall be made in funds that are available for immediate transfer or investment by the Trustee on or before 12:00 noon, Indianapolis time, on such Prepayment Date, and any required prepayments received after such date and time due shall bear interest at Reinvestment Rate 1, to the extent permitted by law. In the event of any Advance Distribution to the Qualified Entity as described in this Section 3.8, and pending the payment to the Bond Bank of all or a portion of such Advance Distribution to the extent required hereunder, the Qualified Entity shall keep the amount of such Advance Distribution invested in investment securities specified in Section 5.4 of this Agreement from the date of their receipt until the applicable Prepayment Date. In the event of prepayment under this Section 3.8, the Trustee shall send to the Authorized Official a statement of the remaining unused Period Allocation and the individual Monthly Allocations for the balance of the Borrowing Period based upon the principal amount of Warrants still Outstanding (adjusted to reflect such prepayment) and the due date or dates with respect thereto.

SECTION 4. Further Conditions and Limitations.

4.1 Budget and Levy. Prior to the purchase by the Bond Bank of any Warrants, the Qualified Entity shall have filed with the Trustee each of the following:

a. A certificate, executed by the Authorized Official, stating:

- i. The amount of the Cumulative Cash Flow Deficit projected to occur in each of the funds of the Qualified Entity for which Advances will be made and Warrants will be purchased during each month of each Borrowing Period;
- ii. The amount of taxes estimated by the Auditor or his or her deputy to be collected for and distributed to the Qualified Entity on the date of settlement for each of the funds in anticipation of which the Warrants are to be issued; and
- iii. That the Qualified Entity (A) has duly, regularly and properly adopted a budget for the then-current Fiscal Year setting forth expected revenues and probable expenditures, (B) has complied with all statutory and regulatory requirements with respect to the adoption of such budget, and (C) will expend the proceeds of the Warrants for lawful purposes provided for in the budget;

b. A copy of the resolutions or ordinances of the Qualified Entity authorizing the issuance of such Warrants or Advances thereunder and appropriating and pledging funds for their repayment, certified by an authorized officer of the Qualified Entity, or extracts so certified from the minutes of the meeting of the Qualified Entity at which such resolutions or ordinances were adopted, setting forth such resolutions or ordinances in full;

c. An Opinion of Bond Counsel, in form and substance acceptable to the Bond Bank and the Trustee, to the effect that the Warrants bear interest that is excludable from gross income under Section 103 of the Code for purposes of federal income taxation.

d. A signed copy of the opinion of counsel to the Qualified Entity substantially in the form attached hereto as Exhibit C or a certificate of such counsel to such effect;

e. A copy of the transcript of proceedings in which the Qualified Entity has authorized the issuance and sale of the Warrants to the Bond Bank; and

f. All other documents reasonably required by bond counsel for the Bond Bank.

4.2 Advances. Prior to receiving each Advance, the Qualified Entity shall furnish to the Trustee a certificate of an Authorized Official of the Qualified Entity to the following effect: that there has been no material adverse change in the matters set forth in the certificate delivered to the Trustee pursuant to Section 4.1 of this Agreement; that the amount outstanding on the Warrant does not exceed the Period Allocation of the Qualified Entity or the aggregate Monthly Allocations unless the Bond Bank has consented in writing to the excess amount; and that funds for repayment of the Advance have been appropriated and pledged.

4.3 Timing. The Qualified Entity may approve the issuance of Warrants for a Renewal Term prior to January 1 of the Fiscal Year of the Renewal Term, but the Qualified Entity shall not issue and deliver and the Bond Bank shall not be obligated to make payment for such Warrants prior to such January 1.

4.4 Additional Limitation. (a) Notwithstanding any other provision of this Agreement, and unless the Qualified Entity has provided the Bond Bank and the Trustee with a Small Issue Certificate with respect to such Tax Period, the maximum Cumulative Cash Flow Deficit for the Tax Period during which any Warrants are issued and sold hereunder must be reasonably anticipated to exceed ninety percent (90%) of the aggregate amount of proceeds of warrants (including but not limited to Warrants issued under this Agreement) and other obligations issued by the Qualified Entity in any Borrowing Period, pursuant to the provisions of the Indiana Code, in anticipation of the receipt of revenues levied and in the course of collection for the applicable fund. In addition, the aggregate amount of Warrants issued and sold hereunder, with respect to any Borrowing Period, shall not exceed the lesser of either (i) eighty percent (80%) of the tax levy for such Borrowing Period with respect to the fund or funds upon which such Warrants are issued or (ii) such other lower amount as may be required with respect to the Qualified Entity in accordance with Indiana law.

(b) Notwithstanding any other provision of this Agreement, the Bond Bank shall not be obligated to purchase any Warrant of the Qualified Entity if the Bond Bank is then in default or in violation or breach of any covenant or agreement under the Indenture or if such purchase would cause the Bond Bank to be in default, violation or breach of any covenant or agreement under the Indenture.

SECTION 5. Agreements by Qualified Entity.

5.1 Consent by Qualified Entity. The Qualified Entity consents and agrees to the assignment and pledge of Warrants to the Trustee under the provisions of the Indenture to secure the Notes.

5.2 Valid and Binding Obligations. The Qualified Entity shall issue all Warrants to be purchased by the Bond Bank in compliance with the statutes of the State so that such Warrants will be the valid, binding and enforceable obligations of the Qualified Entity for the payment of the sums set forth therein from the funds pledged to their payment.

5.3 Form of Warrants. The Qualified Entity shall issue Warrants which are to be purchased by the Bond Bank in a form which shall be in compliance with the statutes of the State and substantially in the form attached hereto as Exhibit B, with appropriate modifications for the type of political subdivision represented by the Qualified Entity.

5.4 Prompt Payment and Prepayment of Warrants. The Qualified Entity shall cause the Authorized Official to pay the Warrants whenever sufficient funds from any source, including any Advance Distributions to the Qualified Entity by the Auditor, are available to the Qualified Entity for the payment or prepayment of such Warrants and are required to be paid or prepaid pursuant to Section 3.6 and Section 3.8 of this Agreement. The Qualified Entity shall in any event make all payments on Warrants in funds that are received by and available for immediate transfer or investment by the Trustee on or before 12:00 noon, Indianapolis time, on the date or dates that any prepayment or final payment on such Warrants is due. Notwithstanding the foregoing, the Qualified Entity agrees that, should receipts of ad valorem property taxes or moneys in lieu thereof be held for payment or prepayment to the Bond Bank by the Qualified Entity at any time prior to such payment or prepayment, whether in accordance with Section 3.8 of this Agreement or otherwise, such receipts shall be invested temporarily in investments which (i) mature no later than the due dates of such Warrants or the next succeeding Prepayment Date, if prepayment is required pursuant to Section 3.8 of this Agreement, and (ii) are limited solely to interest-bearing time deposits or certificates of deposit of any bank, trust company or national banking association which is a member of the Federal Reserve System and which is designated as a depository under and a participant in the Public Deposits Insurance Fund of the State of Indiana.

5.5 Prohibition Against Certain Other Borrowing. Notwithstanding any other provision of this Agreement to the contrary, for so long as any Warrant is Outstanding which has been issued in anticipation of revenues of a fund, the Qualified Entity shall not, without the consent of the Bond Bank, issue any warrant or comparable obligation in anticipation of the revenues budgeted for such fund for the then-current Fiscal Year.

5.6 Reporting. The Qualified Entity shall file with the Bond Bank on or before December 1 of the Initial Term and December 1 of each Renewal Term a certificate, signed by its Authorized Official, to the effect that to the date of such certification there has been no material adverse change in the financial affairs of the Qualified Entity which might adversely affect its ability to perform its obligations under this Agreement in the next ensuing Fiscal Year as contemplated by this Agreement. In addition, the Qualified Entity shall file with the Bond Bank, on or before February 28, 1990 and on or before February 28, 1991, its two Form 9s (in the case of a School Corporation) or its annual report filed with the State Board of Accounts for the preceding calendar year.

5.7 Additional Six-Month Reports Relating to Cumulative Cash Flow Deficit. Unless waived in writing by the Bond Bank, the Qualified Entity shall make available to the Bond Bank, within thirty (30) days after the end of each Borrowing Period and with respect to each fund upon which Warrants have been

issued by the Qualified Entity during such prior Borrowing Period or are anticipated to be issued by the Qualified Entity during the following Borrowing Period, such information relating to the revenues actually realized and funds actually expended within each and every such fund during such prior Borrowing Period by the Qualified Entity as the Bond Bank may require (i) to review the Qualified Entity's Period Allocation and Monthly Allocations for the following Borrowing Period and (ii) unless the Qualified Entity has delivered to the Bond Bank a Small Issue Certificate with respect to such Borrowing Period, to compute the Qualified Entity's maximum anticipated Cumulative Cash Flow Deficit or Deficits during the prior Borrowing Period.

5.8 Tax Covenants. The Qualified Entity hereby covenants that it will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause to permit to fail to be taken by it or by any party under its control, any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on its Warrants pursuant to Section 103 of the Code. The Qualified Entity further covenants that it will not do any act or thing during any Borrowing Period that any Warrant is outstanding that would cause any Warrant to be a "private activity bond" within the meaning of Section 141 of the Code or an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto. In furtherance and not in limitation of the foregoing, the Qualified Entity shall take all actions necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable to the Qualified Entity or the Warrants, including, without limitation, accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

5.9 Remedies of the Bond Bank. The Qualified Entity acknowledges and agrees that, in the event of the Qualified Entity's default on any of its obligations hereunder or under any Warrant, the Bond Bank shall have any and all remedies available at law or in equity for the enforcement of such obligation, including without limitation and subject to the condition that the same shall not affect the validity of the Warrants, the remedies set forth in the Act. The Qualified Entity further covenants and agrees that, in the event that any default on the payment of principal of or interest on a Warrant is attributable to or arises from an action or omission by a third party, governmental official or other entity in failing to pay over taxes to or collected by the Qualified Entity, thereby giving rise to a cause of action in law or at equity against such third party, official or entity, the Qualified Entity will diligently prosecute such cause of action in its own name or, at the option of the Bond Bank, and to the extent permitted by law, assign to the Bond Bank the right to pursue such cause of action in the name of the Qualified Entity.

5.10 Additional Costs Imposed on the Qualified Entity. The Qualified Entity acknowledges that the Bond Bank is authorized under the Act to collect from qualified entities certain fees and charges for its services and that qualified entities are empowered under the Act to contract for and to pay such fees and charges. The Qualified Entity agrees to pay to the Bond Bank an amount, if any, equal to all costs and expenses incurred by or on behalf of the Bond Bank from time to time as a result of any failure by the Qualified Entity to comply with any of the provisions of this Agreement.

SECTION 6. Initial Term; Renewal Term. Subject to the provisions of Section 4.9 and Section 5.14 of the Indenture and Section 3.1(b) of this Agreement, the Qualified Entity may by written notice filed with the Bond Bank and the Trustee, not later than December 1 of the Initial Term or of the prior Renewal Term, as the case may be, request that this Agreement be extended for a Renewal Term. The notice shall be accompanied by (a) a certified copy of a resolution of its governing body authorizing the renewal of the term of this Agreement and appropriating and pledging funds for the repayment of Warrants to be issued in the Renewal Term and (b) a certificate executed by the Authorized Official setting forth (i) the amount estimated to be received into each applicable fund during any month of the next succeeding Fiscal Year; (ii) the amount expected to be expended from each such applicable fund during each month of the next succeeding Fiscal Year; and (iii) the amount estimated to represent the balance in each such applicable fund as of the end of each month of the next succeeding Fiscal Year. Upon the filing with the Bond Bank and the Trustee of such resolution and certificate, the Bond Bank shall not later than December 15th notify the Qualified Entity whether it consents to the extension and state in such notice any changes in the Period Allocation or any Monthly Allocation of the Qualified Entity for the Renewal Term. Upon such request and consent by the Qualified Entity and the Bond Bank, respectively, and effective the following January 1, the term of this Agreement shall be automatically renewed for the succeeding Fiscal Year and it shall not be necessary to execute another counterpart of this Agreement or to execute any other instrument or take any other action with respect thereto other than the completion and amendment of Exhibit A pursuant to Section 3.1 for the Renewal Term; provided, that each of the Qualified Entity and the Bond Bank covenants and agrees to execute and deliver or cause to be executed and delivered any such instrument, document or report or to take or cause to be taken any such further action as may be required pursuant to this Agreement or as either the Qualified Entity or the Bond Bank may determine to be necessary or appropriate in connection with the renewal of the term of this Agreement.

SECTION 7. Miscellaneous.

7.1 Effect of Breach. Failure on the part of the Bond Bank in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Bond Bank by this Agreement or by law shall not make the Bond Bank liable in damages to the Qualified Entity or relieve the Qualified Entity from paying any Warrant or fully performing any other obligation required of it under this Agreement; provided, however, that the Qualified Entity may have and pursue any and all other remedies provided by law for compelling performance by the Bond Bank of such obligation assumed by or imposed upon the Bond Bank.

7.2 Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Bond Bank and by the Qualified Entity, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

7.3 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the Bond Bank or the Qualified Entity to be performed shall be deemed by a court of competent jurisdiction to be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Agreement.

7.4 Notices. All notices, filings and other communications shall be sent by first class mail, postage prepaid, addressed as follows:

To the Bond Bank:

Indiana Bond Bank
Capital Center, Suite 970
251 North Illinois Street
Indianapolis, Indiana 46204
Attn: Executive Director

To the Qualified Entity:

_____, Indiana 46____
Attn: _____
Telephone Number: _____

To the Trustee:

INB National Bank
One Indiana Square
Indianapolis, Indiana 46266
Attn: Corporate Trust Department

To Standard & Poor's:

Standard & Poor's Corporation
25 Broadway
New York, New York 10004
Attn: Municipal Finance Department

7.5 Expenses. Except to the extent that the Bond Bank has agreed and arranged to pay any or all of such costs, the Qualified Entity covenants and agrees to pay the costs and expenses of providing the necessary certificates, documents and opinions required to be delivered hereunder, and any and all costs, including attorneys' fees, incurred by the Bond Bank in connection with the enforcement of this Agreement in the event of a breach of or default under this Agreement by the Qualified Entity.

7.6 No Waiver. Any failure by either the Bond Bank or the Qualified Entity to exercise any right or to enforce any provision of this Agreement or of the Warrants, in the event of a breach or default by the other party, shall not be deemed to be a waiver, or to prevent or limit the subsequent exercise, of such right or the enforcement of such provision for the same or any other breach or default unless a written waiver of such right is signed by the party having such right or, in the case of a breach or default, the party to whom the duty is owed.

7.7 Applicable Law. This Agreement shall be construed in accordance with and governed by the applicable laws of the State of Indiana.

7.8 Term. This Agreement shall terminate at such time as the Qualified Entity has fully met and discharged all of its obligations hereunder.

7.9 Entire Agreement. This Agreement constitutes the entire agreement between the Bond Bank and the Qualified Entity with respect to the subject matter herein contained and supersedes any and all other negotiations, understandings or agreements between the parties, oral or written.

IN WITNESS WHEREOF, the Qualified Entity has caused its seal to be hereunto affixed and attested, and the Bond Bank and the Qualified Entity have caused this Agreement to be signed by their respective duly authorized officers, all as of the day and year first above written.

INDIANA BOND BANK
("Bond Bank")

By _____
Marjorie H. O'Laughlin, Chairman

Attest:

James H. Steele, Jr., Executive
Director

("Qualified Entity")

By _____
Printed _____
Title _____

Attest:

By _____
Printed _____
Title _____

(SEAL)

AGREEMENT AND ACKNOWLEDGEMENT OF TRUSTEE

INB National Bank, Indianapolis, Indiana, as Trustee, acting under and pursuant to the Note Indenture dated as of April 1, 1989, between the Bond Bank and the Trustee, acknowledges the execution of this Agreement and accepts and agrees to perform its obligations on behalf of the Bond Bank under this Agreement and the Indenture.

INB National Bank, as Trustee

By _____

Printed _____

Title _____

EXHIBIT A
TO ADVANCE FUNDING AGREEMENT

SCHEDULE OF ESTIMATED ALLOCATED
MONTHLY BALANCE OF ADVANCES

<u>Fiscal Year, Borrowing Period and Month</u>	<u>Period Allocations</u>	<u>Monthly Allocations</u>
1989 - 2nd Borrowing Period		
July		
August		
September		
October		
November		
December		
1990 - 1st Borrowing Period		
January		
February		
March		
April		
May		
June		
1990 - 2nd Borrowing Period		
July		
August		
September		
October		
November		
December		
1991 - 1st Borrowing Period		
January		
February		
March		
April		
May		
June		
1991 - 2nd Borrowing Period		
July		
August		
September		
October		
November		
December		

EXHIBIT B
TO ADVANCE FUNDING AGREEMENT

FORM OF WARRANT

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF _____

Due Date: [June ____ or
December ____], 19__

\$ _____

COUNTY, INDIANA
TEMPORARY LOAN WARRANT
(_____
FUND)

FOR VALUE RECEIVED, on or before [June ____ or December ____], 19__,

of _____ County, Indiana (the
"Borrower"), shall pay to the Indiana Bond Bank (the "Bond Bank") the amount,
not in excess of \$ _____ outstanding at any one time, equal to the total
of all temporary loans made to the Borrower by the Bond Bank (the "Advances") in
accordance with the Period Allocation and the Monthly Allocations as set forth
in Schedule A to this Warrant and pursuant to a certain Advance Funding
Agreement between the Bond Bank and the Borrower, dated as of _____,
19__ (the "Agreement"); provided, that part or all of the Advances may be
prepaid at the option of the Borrower and, in the event that prior to maturity
of this Warrant the Borrower receives payment of part or all of the taxes in
anticipation of which this Warrant has been issued, the Borrower shall prepay
all or a portion of such Advances to the extent required by and in accordance
with the terms of the Agreement. The actual Advances made to the Borrower and
any prepayment on such Advances shall be recorded on Schedule B to this Warrant.

In addition, the Borrower on the Due Date hereof shall pay to the Bond
Bank interest at the rate of _____% per annum on the average daily balance of
Advances outstanding from time to time hereunder, with such interest to be
computed from the date of each Advance to the date of payment and calculated on
the basis of a 365-day year and the actual number of borrowing days elapsed.
Under the Note Indenture dated as of April 1, 1989, INB National Bank,
Indianapolis, Indiana, is serving as the Bond Bank's Trustee (the "Trustee").
In the event that the principal of and interest on this Warrant are not paid in
full to the Bond Bank at the principal corporate trust office of the Trustee in
immediately available funds on or before 12:00 noon (Indianapolis time) on the
Due Date, this Warrant shall thereafter bear interest (i) if the next succeeding
day following the Due Date is a day on which banking institutions in New York
and Indiana are not authorized by law to close or remain closed (a "Business
Day"), at the rate of 9.76% per annum until paid and (ii) if the next succeeding
day following the Due Date is not a Business Day, at the rate of 6.51% per annum
from the Due Date until the next succeeding Business Day, and at the rate of
9.76% per annum thereafter until paid.

All payments or prepayments of principal and interest to be made by the Borrower to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in Indianapolis, Indiana.

This Warrant evidences a temporary loan to [provide funds to meet current expenses of] the _____ Fund in an aggregate amount not in excess of _____ Dollars (\$ _____), and has been authorized by [an ordinance] [a resolution] passed and adopted by the _____ of _____, _____ County, Indiana, on _____, 19____, in accordance with Indiana Code, Title __, Article __, Chapter __, and all other acts amendatory thereof or supplemental thereto.

This Warrant is issued in anticipation of the tax levy which has been made for the _____ Fund in the year 19____, which tax levy is now in course of collection. There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the _____ Fund tax levy; [provided, that the Borrower reserves the right to pay interest on this Warrant from funds available for that purpose from the Debt Service Fund of the Borrower.] The principal amount of all Warrants payable from the _____ Fund does not exceed _____ percent (____%) of the taxes levied for the _____ Fund as estimated by the County Auditor to be collected for and distributed to such fund at the final [June 30 or December 31], 19____, settlement and distribution of taxes.

It is further hereby certified, recited and declared that all acts, conditions and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that the _____ Fund tax levy [and the Debt Service Fund tax levy, respectively,] from which (together with other amounts in the _____ Fund [and the Debt Service Fund, respectively]) this Warrant is payable [is a] [are each] valid and legal [levy] [levies]; and that the Borrower will reserve a sufficient amount of the proceeds of the _____ Fund tax levy [and the Debt Service Fund tax levy, respectively,] currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

IN WITNESS WHEREOF, _____, _____ County, Indiana, has caused this Warrant to be executed in its corporate name by the _____, and its corporate seal to be hereunto affixed and attested by the _____, all as of the _____ day of _____, 19____.

COUNTY, INDIANA

By _____

Title: _____

ATTEST:

Title: _____

SCHEDULE A

MonthMonthly Allocations

January:

February:

March:

April:

May:

June:

Period Allocation:

July:

August:

September:

October:

November:

December:

Period Allocation:

SCHEDULE B

Date of Advance
or PrepaymentAmount of
AdvanceAmount of
PrepaymentMonth End
Balance

EXHIBIT C
TO ADVANCE FUNDING AGREEMENT

FORM OF OPINION OF COUNSEL TO THE QUALIFIED ENTITY

- (i) The Qualified Entity has duly authorized and validly executed and delivered the Advance Funding Agreement.
- (ii) The Advance Funding Agreement constitutes a valid and binding agreement of the Qualified Entity, enforceable in accordance with its terms, subject to applicable provisions of bankruptcy laws, insolvency laws, and laws affecting creditors' rights.
- (iii) The Warrant has been duly authorized and validly executed and delivered by the Qualified Entity and constitutes a valid and binding agreement of the Qualified Entity, enforceable in accordance with its terms, subject to bankruptcy laws, insolvency laws, and laws affecting creditors' rights.
- (iv) There is not pending or, to the best of counsel's knowledge, threatened any action, suit, proceeding or investigation before any court or other public agency contesting the validity, legality or binding effect of the Agreement or the Warrants.

DIGEST SHEET

TITLE OF ORDINANCE ORDINANCE

1-85-12-39.

DEPARTMENT REQUESTING ORDINANCE CONTROLLER'S OFFICE

SYNOPSIS OF ORDINANCE ALLOWS THE ISSUANCE OF TAX ANTICIPATION

TIME WARRANTS FOR THE YEAR 1990

EFFECT OF PASSAGE TAX ANTICIPATION TIME WARRANTS WILL BE ISSUED

EFFECT OF NON-PASSAGE THE CITY WILL EXPERIENCE CASH FLOW PROBLEMS

PRIOR TO TAX DISTRIBUTION

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) _____

ASSIGNED TO COMMITTEE (PRESIDENT) _____